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**POW/MIA Affairs**

**Speech to Virginia Foote Seminar on  
Bilateral Relations With Vietnam**

**Deputy Assistant Secretary of Defense James W. Wold**

**22 July 1994**

We in DoD--civilians and military--have no higher duty than to those who served their country in war. Last month, Secretary Perry confirmed our Department's "steadfast dedication to achieve the fullest possible accounting" of our POWs and MIAs. This commitment includes providing the resources to do the job right even as we draw down our Cold War force structure.

Although I only assumed my post in May, I am not entirely unfamiliar with this issue. As a pilot during the war, I flew alongside friends whose cases we now place before the leadership of Vietnam, Cambodia, and Laos. As we ask for explanations of what happened to these Americans, I readily recall distinct memories of flying in formation with men who disappeared from the scope and remain unaccounted for. I know what it means to witness the fiery descent of an American plane or to limp back to safety wondering what happened to others who moments

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before flew beside me. And I know what it means to fly a search and rescue mission, scanning the carnage below in search of a downed airman or a stranded soldier.

On 3 February 1994 President Clinton stated that ending the trade embargo represented the best way to ensure cooperation from Vietnam and to continue getting the information Americans want on our missing. The key, the President said, to continued progress lies in expanding our contacts with Vietnam. Lifting the trade embargo was seen as an important way to provide greater access to Vietnam and its people, and to increase the prospects of attaining the fullest possible accounting. Lifting the embargo also was regarded as the best way to elicit a renewed Vietnamese commitment to cooperation, and a consistent level of assistance to joint field investigations, archival research, and efforts to account for, locate, and repatriate remains.

The President's decision, however, was in no way a retreat from our commitment to obtaining the fullest possible accounting; the hard fact is that what we want is largely in the control of the governments of Southeast Asia. The expectation

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in lifting the embargo is that a more involved US relationship with Vietnam--leading to increased transparency in that country--may aid our effort. Although the need to protect the integrity of the evidence will require our official investigations to remain in established government-to-government channels and to be accomplished by professional investigators, the more contact we have throughout all of Vietnam the better the accounting process may be served.

Increased access is key to finding answers, and this Administration continues to press the governments in Southeast Asia strongly for answers that our accounting standards demand. Two weeks ago, a Presidential Delegation headed by Deputy Secretary of Veterans Affairs Hershel Gober, with Assistant Secretary of State Winston Lord and myself, returned from Hanoi and Vientiane. We met with senior Vietnamese and Lao officials to convey again the full scope of President Clinton's, Secretary Perry's, our veterans', and our country's commitment and expectations on this issue. Specifically, we stressed the need for tangible progress in the four key areas--now recognized as the benchmark for cooperation in the POW/MIA

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issue--which the President emphasized when he lifted the embargo:

- The recovery and return of remains of our POWs and MIAs;
- The continued resolution of discrepancy cases, those in which there is reason to believe individuals could have survived the incident in which they were lost;
- Further assistance from Vietnam and Laos on investigations along their common border, an area where many US servicemen were lost and pilots downed; and
- Accelerated efforts to provide all relevant POW/MIA-related documents.

Let me take a minute to assess progress in each of these four areas. First, Vietnam has worked closely with the Joint Task Force detachment in Hanoi to recover and repatriate the remains of American service personnel. Since last July, we have repatriated 93 sets of remains, bringing the total number of

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repatriated remains for all of 1993 and 1994 to 121.

Second, regarding the investigations of last known alive cases and live sighting investigations, Vietnam has provided excellent cooperation. In June 1993, the Priority Case Investigation Team began reinvestigating the remaining last known alive priority discrepancy cases. Since late 1992, through our investigative efforts, we have been able to determine that 141 of the 196 LKA cases died in their loss incident.

The Live Sighting Investigation capability, which allows us to respond quickly to a new lead or report, has been substantially improved. This program continues to investigate rapidly all credible reports of alleged sightings of war, or otherwise associated with suspected unaccounted for, Americans in Vietnam. To date, we have investigated 87 of 91 tasked live sighting reports. None of those investigations produced evidence that any American serviceman survived beyond Operation Homecoming in 1973 or is being held captive in Vietnam today. Nevertheless, our commitment to the fullest possible accounting, ensures we continue to

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pursue vigorously any report of a live prisoner and not discount its credibility until it has been thoroughly investigated.

Third, regarding the Lao Border Cases, the Vietnamese and Lao agreed last August to conduct trilateral investigations with US teams along the common border near the Ho Chi Minh Trail. The first such operation, conducted in Quang Tri Province in December 1993, resulted in the location of remains and crashsites. Vietnamese cooperation during those operations was exceptional. We anticipate the second such operation in the near future.

Finally, we continue to press the search for wartime archival information. In response to new archival access, a team of US archivists is poring through wartime Vietnamese records previously unavailable to our government. The first Archival Research Team (ART) in Vietnam began operations in November 1992 at the Central Armed Forces Museum in Hanoi. Since February 1993, two more ARTs have been at work as well.

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The primary goal of the ART is to gain access to Vietnamese wartime documents, museum holdings, and films related to unaccounted for Americans. To date, our archival research teams have processed more than 26,230 documents, artifacts, and photographs related to US POW/MIAs, correlating 715 of those items to missing service personnel.

Despite this tangible progress, we believe there are still additional ways Hanoi can cooperate. We continue to underscore the view that Vietnam can shoulder responsibility for undertaking more work in the four key areas on a unilateral basis. When we were in Vietnam two weeks ago, we pointed to some key areas where improvements could be made, including:

- Sustained efforts to unilaterally comb archives and ministerial repositories for information;
- More active efforts by the Vietnamese government to assist our Task Force in gaining control of remains that may be in the hands of private Vietnamese citizens reluctant to relinquish them; and

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- Efforts to have provincial authorities urge that local citizens who have knowledge of grave or crash sites come forward.

Although the most significant news relates to new access and new opportunities in Vietnam, I should stress that we actively pursue cases throughout Southeast Asia:

- In Laos, where our embassy never closed, DoD personnel are full members of the Embassy team. We have the active support of Ambassador Victor Tomseth and the Department of State in their expanding work to account for our missing.

- We are also carrying on a strong effort in Cambodia, where we re-opened our embassy last September, thus facilitating better access.

Finally, I should mention this Administration's support for the program in terms of people and dollars. In this era of overall cutbacks and a defense drawdown, funding has remained fairly constant and personnel slots have, in fact, increased since

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1992 by almost 100. Today we have overall more than 500 civilian and military personnel dedicated to this mission.

As part of this effort, I am committed to ensuring that the Defense Prisoner of War/Missing in Action Office be effective and aggressive in representing our POW/MIA interests. The formation of the DPMO last July consolidated the DIA Special Office on POW/MIAs, the Central Documentation Office, the US Army's Task Force Russia, and the OSD POW/MIA Affairs office.

This merger centralized the Washington-based POW/MIA efforts, thus providing a more efficient and responsive entity capable of rapid responses to interagency tasking and congressional inquiries, and more effective liaison with the families and veterans. For example, the new organization is better prepared to declassify and release all documents relating to POWs and MIAs, in accordance with the President's directive. As documents are declassified, they are forwarded to the Library of Congress. Today, over 670,000 pages of

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materials reside in the Library and are readily accessible to the public.

Finally, let me remind that on 3 February, the President said that the normalization of relations will depend upon "more progress, more cooperation and more answers." The President, with the support of the Congress, concluded that the best way to ensure that cooperation, and to continue getting those answers was to end the embargo. And his commitment remains firm: our first priority is the fullest possible accounting for our missing. It is our intent that through continued strong efforts in the United States and in Southeast Asia, we will account for every American that can be accounted for and recover all recoverable American remains from the Vietnam war.

Thank you.

## **Luncheon Keynote Address**

**Kathleen Harrington**  
**Special Advisor to Assistant Secretary of State**  
**for East Asia and Pacific, Winston Lord**

**U.S.- Vietnam Policy Forum ★ Washington, DC ★ July 22, 1994**

-- Good Afternoon. Thank you for inviting me to speak with you today. I am honored to be addressing such a distinguished group -- especially our guests from Vietnam.

-- The U.S.- Vietnam Trade Council and the Georgetown University School of Foreign Service have done a wonderful job of organizing this Forum. Ginny Foote and all the other organizers deserve our thanks for their determined efforts at bringing this event together. I know the kind of time and dedication that such an undertaking entails. The sponsoring corporations also deserve our gratitude for their generous contributions and for their vision in supporting such an important event.

-- As all of you know, it is a particularly appropriate time for us to be addressing U.S.- Vietnam policy. Decisions taken by President Clinton over the last year have opened the door to a new era in the relationship between our two countries. This year, things have transpired in relations between the United States and Vietnam that could not possibly been imagined two years ago.

-- And yet, as each step has been taken, speculation has inevitably ensued and intensified as to the next step -- when it will happen, what it will be.

-- Right up front I will tell you: as I talk to you today, I can not postulate on next steps. It is not my task to lay before you a clear vision of where the U.S.- Vietnamese relationship is heading and when we will get there.

-- Lucky for me, the superb speakers we will be hearing from later this afternoon have the task of looking to the future. I am reminded, however, of the words of the 18th century British philosopher and statesman, Edmund Burke, who said, "You can never plan the future by the past." Of that, I am sure.

-- What I will try to concentrate on with you here today is where we are right now, how far we've come to be here. It is important not to let our intense interest in the future blind us to the new possibilities that have opened up to us in the present.

-- Before going any further, allow me to answer some fundamental questions you may have about what I do and about the basis of this Administration's Vietnam Policy.

-- A little over a year ago, Ambassador Winston Lord, the Assistant Secretary of State for East Asian and Pacific Affairs, invited me to join his front office as his Senior Advisor for Commercial Affairs. Before joining the Department of State, I ran a non-profit organization called the U.S.-Korea Foundation and had been a long time legislative assistant to Senator Chris Dodd of Connecticut.

-- This job of Senior Advisor for Commercial Affairs is a new one at State that testifies to the Clinton Administration's commitment to bringing the commercial perspective into the mainstream of our foreign policy deliberations -- both within the Department of State and without.

-- Secretary of State Warren Christopher has placed a high premium on State Department support and advocacy of U.S. business. He has opened wide his doors at the Department of State and certainly at our Embassies abroad, to ensure that we are regularly appraised of the interests and concerns of the U.S. private sector.

-- Since assuming my duties, my task in the bureau of the East Asian and Pacific Affairs has been to ensure that the interests and view points of American business and of the American work force, are brought appropriately to bear in the formulation of our foreign policy.

-- There are going to be many cases where the priorities of the Administration, and my duty to maintain them, diverge -- even clash -- with the priorities of the U.S. business community. I have often said in conversation with my colleagues from the private sector, many of whom are here today, that the real measure of our success in our public-private dialogue is the continuation of substantive dialogue, exchange of ideas, and confidence building -- even in the face of differing perspectives or disagreement.

-- That's why I have stressed that it is my job as an advisor to Winston Lord to bring the viewpoints of American business appropriately to bear on the policy process. Appropriately. It has a special relevance in the administration's decision making with respect to Vietnam.

-- It will not have escaped any of the careful observers present in this room that when the President announced the end of the embargo against Vietnam on February 3, he was categorical in stating that factors relating to economics, business and trade played no role in his decision.

-- It is the President's belief, supported by all in his Administration, that the issue of our Prisoners of War and Missing in Action is of such fundamental importance that it would be completely inappropriate for business or trade considerations to play a part in such decisions. Our highest national priority with respect to Vietnam was, and remains, achieving the fullest possible accounting for our missing men. Our solemn commitment, to the missing and to their families, requires no less.

-- President Clinton has made plain that further steps in our relationship will require continued tangible progress toward achieving the fullest possible accounting. This message was most

recently reiterated by the Presidential delegation headed by Ambassador Lord, Deputy Secretary of Veterans Affairs Hershal Gober, and Deputy Assistant secretary of Defense for POW/MIA Affairs James Wold, during their visit to Vietnam from July 1-4.

-- So, while the touchstone of our Vietnam policy continues to be the POW/MIAs, it is also a fact that with the embargo's end, Americans are now free to do business in Vietnam. I, and my colleagues stand ready to help you, now.

-- The lifting of the embargo authorizes activities that had been prohibited under the embargo for both U.S. government officials and U.S. business. They include:

- Economic/commercial visits by certain USG officials. Such visits require concurrence and approval by my bureau at State, EAP, to ensure that they are consistent with policy guidelines.
- Working level USDOC and USDA (up to DAS) personnel are permitted to contact and meet with Vietnamese officials at trade shows and exhibitions in third countries.
- Senior-level USG officials are permitted to write Vietnamese officials for the purpose of supporting the efforts of individual U.S. companies to gain contract awards in Vietnam. Letters of support will be passed on to the Vietnamese through the USLO office in Vietnam.
- USDOC and USDA staff are permitted to contact (via letter, fax, telephone) Vietnamese officials or entities to request information on doing business in Vietnam for public dissemination. Included are requests for information on Multilateral Development Bank (MDB) projects.
- Periodic and ad hoc visits to Vietnam by working level USDOC and USDA personnel are permitted for purposes of conducting market research and gathering economic data. Proposed visits will require concurrence and approval by Department of State EAP.
- U.S. civair officials (below the Assistant Secretary level) are authorized to communicate with Vietnamese officials and as necessary travel to Vietnam, in order to institute aviation regulations between the U.S. and Vietnam.
- FAA officials are authorized to travel to Vietnam to conduct safety and security inspections.

- U.S. business may engage in unrestricted travel to Vietnam.
- U.S. business may invest in Vietnam or Vietnamese enterprises.
- U.S. business may import goods from Vietnam (subject to U.S. laws such as the Endangered Species Act).
- Foreign subsidiaries of U.S. companies now enter into transactions with Vietnam or its nationals.
- Vietnam may now make use of U.S. financial institutions.

-- Of course, other substantial restrictions are still in place, but as I said before, we should not let them blind us to the new possibilities that are presently open between Vietnam and the United States.

-- I want all of you here today to know that my door is always open. I meet regularly with American business leaders from the ranks of small, medium and large U.S. businesses to discuss Vietnam. We are ready and able to support their efforts in Vietnam, within the context of current U.S.- Vietnamese relations as I've briefly outlined them here today.

-- We and the Vietnamese are working very hard on our liaison office negotiations. We hope to be able to announce soon when these offices will open. Once open, the U.S. liaison office will be providing consular and other services to Americans in Vietnam, including assistance to the American business within the constraints of what will, at first, be limited resources.

-- As we look at the present state of relations between the United States and Vietnam, and, as you naturally ponder their future, it might be instructive to think of where we've been. Two years ago it would -- quite literally -- not have been conceivable for me to be standing here. That I am here, fortunate enough to be meeting with you and speaking these words, indicates just how far we've come.

Thank you very much.

Addendum:

VIETNAM: A Status Report for U.S. Business

The lifting of the embargo against Vietnam authorizes activities that had been prohibited under the embargo for both U.S government officials and U.S. business. They include:

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- USDOC and USDA staff are permitted to contact (via letter, fax, telephone) Vietnamese officials or entities to request information on doing business in Vietnam for public dissemination. Included are requests for information on Multilateral Development Bank (MDB) projects.
- Periodic and ad hoc visits to Vietnam by working level USDOC and USDA personnel are permitted for purposes of conducting market research and gathering economic data. Proposed visits will require concurrence and approval by Department of State EAP.
- U.S. civair officials (below the Assistant Secretary level) are authorized to communicate with Vietnamese officials and as necessary travel to Vietnam, in order to institute aviation regulations between the U.S. and Vietnam.
- FAA officials are authorized to travel to Vietnam to conduct safety and security inspections.
- U.S. business may engage in unrestricted travel to Vietnam.
- U.S. business may invest in Vietnam or Vietnamese enterprises.
- U.S. business may import goods from Vietnam (subject to U.S. laws such as the Endangered Species Act).
- Foreign subsidiaries of U.S. companies now enter into transactions with Vietnam or its nationals.
- Vietnam may now make use of U.S. financial institutions.

Other U.S. programs that pertain to exporting U.S. goods as well as financing and assistance programs remain in place. These include:

- The Export Administration Act (Commerce list controlling the export of dual-use technology)
- Arms Export Control Act (State list controlling the export of munitions list items)
- The Trade Act of 1974, including the Jackson-Vanik amendment (prohibiting the granting of MFN unless certain conditions are met)
- Export Import Bank Act (prohibiting the financing of goods unless the requirements of Jackson-Vanik are met)
- OPIC insurance programs (prohibited unless the requirements of Jackson-Vanik are met)

The following economic/commercial activities are not permitted at this time:

- USDA is not permitted to sponsor trade missions to Vietnam and to organize promotional events in country. The issue will be reconsidered after the opening of the USLO.
- Two FCS positions will not be established at the USLO at this time. The issue will be reconsidered after the opening of the office. State Department economic officers at the USLO, will however, be actively engaged in assisting U.S. business.

The existing policy for USG voting on loans for Vietnam in the multilateral development banks and the IMF will remain in effect:

- The current policy of voting on loans to Vietnam on the basis of "policy" grounds will remain in effect; i.e. support MDB loans to Vietnam which meet basic human needs (BHN) and abstain on non-BHN MBD loans.
- The current policy of abstaining on IMF loans to Vietnam on Gramm amendment grounds without considering certification will remain in effect.

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THE WHITE HOUSE  
Office of the Press Secretary

For Immediate Release

October 5, 1994

TEXT OF A LETTER FROM THE PRESIDENT  
TO THE SPEAKER OF THE  
HOUSE OF REPRESENTATIVES  
AND THE PRESIDENT OF THE SENATE

October 5, 1994

Dear Mr. Speaker:

(Dear Mr. President:)

Pursuant to the authority vested in me by section 522 of the Foreign Relations Authorization Act, Fiscal Years 1994 and 1995 (Public Law 103-236), I hereby transmit the attached report on Sanctions on Vietnam.

Sincerely,

WILLIAM J. CLINTON

# # #

## INTRODUCTION

On February 3, 1994, I lifted the trade embargo against Vietnam because of my conviction that doing so offered the best way to advance the goal of achieving the fullest possible accounting of our POW/MIAs. I made it clear that this decision, as well as my decision to open a U.S. liaison office in Hanoi, was taken solely to achieve progress in that accounting and that further steps in our relations with Vietnam would depend on "more progress, more cooperation, and more answers" on POW/MIA issues. The four specific areas in which I indicated progress is needed are:

1. Remains: Concrete results from efforts by Vietnam to recover and repatriate American remains.
2. Discrepancy Cases: Continued resolution of the fates of the 55 individuals involved in the remaining discrepancy cases.
3. Trilateral Investigations: Further assistance from Vietnam in conducting investigations along the Lao-Vietnam border.
4. Documents: Accelerated efforts to provide POW/MIA-related documents.

At that time, I also announced that one of the additional steps I was taking to facilitate progress on these issues was to send another high-level delegation to Vietnam to continue the search for remains and documents. Pursuant to that commitment, I sent a delegation to Vietnam and Laos from July 1-5. It was led by Hershel Gober, Deputy Secretary of Veterans Affairs; Winston Lord, Assistant Secretary of State for East Asian and Pacific Affairs; and James Wold, Deputy Assistant Secretary of Defense for POW/MIA Affairs. The delegation also included representatives from the five largest veterans organizations and the Executive Director of the National League of POW/MIA Families.

The delegation reiterated my commitment to achieving the fullest possible accounting and stressed that further steps in relations between the United States and Vietnam depended upon additional, tangible progress in the four areas specified above. Specific findings by the delegation are discussed below, in the detailed review of the progress that has been achieved in each of the four areas since February. Of general note, however, was the repeated commitment of the Vietnamese government to both increase cooperation with us on joint activities and to undertake additional unilateral actions.

## PROGRESS SINCE LIFTING THE TRADE EMBARGO

Since the embargo was lifted last February, we have seen tangible progress in several of these areas as indicated below:

### I. Recovering and Repatriating Remains

#### A. Overview

Vietnam has continued to work with the Joint Task Force detachment in Hanoi to recover and repatriate remains of American service personnel. It has increased publicity for its remains amnesty program that encourages citizens to turn over remains they may have in their possession in return for a promise that they will not be prosecuted. It has also opened an office in Ho Chi Minh City dedicated to recovering remains of Americans who died in captivity in the south.

Since my February statement, the U.S. has repatriated 44 remains -- 29 as a result of joint activity and 15 through Vietnamese unilateral turnover of remains. That number represents the number of remains that U.S. forensic specialists have examined in Vietnam, following joint field activities, and concluded on the basis of initial examination they might be the remains of Americans. Determining whether those 44 remains repatriated will be identified as those of a missing American will require exhaustive, rigorous scientific tests and study that may take years to complete. For example, of the 81 remains repatriated in 1993, 5 have been positively identified as Americans.

Although repatriation does not necessarily mean that the remains in question will ultimately be identified, it does indicate that Vietnamese efforts to facilitate field excavations and to obtain remains in the hands of private citizens have enabled us to examine a higher number of potentially identifiable remains.

#### B. Joint Field Activities

- o Regarding results obtained from the most recent Joint Field Activities (JFA):
- o The 28th JFA, conducted from February 26 to March 22, 1994, resulted in the joint recovery of remains at six sites. In addition, the Vietnamese provided remains to the field team that may be associated with seven cases of missing Americans. The subsequent Joint Forensic Review (JFR) selected nine sets of remains for repatriation.

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- o The 29th JFA, conducted from April 21 to May 24, resulted in the recovery of remains from 19 different sites and unilateral Vietnamese turnover of remains that may be associated with 11 cases of missing American service personnel. The JFA of the recovered remains led to the recommendation that remains associated with 16 cases be repatriated for further forensic analysis at the Army's Central Identification Laboratory in Hawaii (CILHI).
- o A highlight of the 30th JFA conducted from June 23 through July 19, 1994, was the Vietnamese granting the JTF-FA access to a sensitive military site at Cam Ranh Bay, a long-sought goal. The overall JFA resulted in the recovery of remains from 5 of 12 excavation sites. In addition, the Vietnamese unilaterally turned over remains tentatively associated with three cases. A Joint Forensic Review, held in Hanoi July 29-30, selected remains representing four cases for repatriation. These remains, which may represent as many as 10 unaccounted-for Americans, were repatriated in a ceremony in Hanoi on August 2 and arrived at Hickham Air Force Base on August 4.

#### C. Special Remains Team

In August 1993, we presented Vietnam with a list of 84 cases involving 98 American service personnel who died in the custody of Vietnamese authorities, but whose remains have not been located, identified, or repatriated. These cases were selected because the United States believes the Vietnamese should have knowledge of, or the ability to provide, remains. Although Vietnam has provided partial information on some of these cases, my Administration has urged Vietnam to provide a comprehensive report on all actions and investigations they have undertaken with respect to these 84 cases.

These cases include the "photograph" cases involving cases depicted in Vietnamese combat photos held in official repositories such as the Army Museum; the Died In Captivity List (DIC) cases, involving cases on the original list of the Provisional Revolutionary Government of South Vietnam provided in 1973; individual names listed on Vietnamese grave registers whose remains have never been returned and identified; and cases where field investigations have revealed Vietnamese witnesses who indicated that Vietnamese

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officials recovered remains from wartime burial sites that have not yet been repatriated. At the request of the Vietnamese, the United States formed a Special Remains Team (SRT) in August 1993 to investigate these cases in detail. Since the lifting of the embargo, there has been some tangible joint progress. Specifically, the SRT has investigated 35 cases involving 38 individuals. Reports have been issued on 16 of these cases. Reports for the remaining cases are in progress or pending review and/or follow-up on additional leads. Since last February:

- o Two of the 11 photo cases have been investigated by the SRT. One case was recommended for excavation. In addition, one other photo case was excavated during the 30th Joint Field Activity (JFA); however, this excavation resulted from a JFA investigation rather than from an SRT investigation.
- o Sixteen of 27 cases on the DIC list have been jointly investigated. Three of these cases were recommended for excavation. Preliminary work suggests that in some of these cases, the remains may not be recoverable. For example, in some cases natural topographical changes over time have destroyed or rendered gravesites unidentifiable, thereby frustrating attempts to locate remains.
- o Of the 39 graves registration cases, 16 have been jointly investigated. Three of these cases have been recommended for excavation. Again, although no remains have been recovered, information useful to further investigations is being collected.
- o Finally, there are seven cases in which remains were reportedly recovered by Vietnamese officials but not repatriated. One of these cases has been investigated since the embargo was lifted. A second of the seven cases has been scheduled for excavation as a result of a JFA investigation.

**D. Live Sighting Investigations**

Since early February 1994, we have conducted 11 live sighting investigations of reports requiring field investigations in Vietnam; and there is only one pending investigation. In that instance, in which a single source has refused to agree to a second interview, the Deputy Foreign Minister has agreed to intercede in an effort to facilitate voluntary access to this source by JTF-FA specialists.

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To put the issues in a broader perspective, 88 live sightings have been investigated in Vietnam since 1991. None of these investigations have produced evidence that any American serviceman is being held captive in Vietnam today. Nevertheless, in view of our goal of obtaining the fullest possible accounting, we will continue to pursue vigorously any report of a live prisoner. Nor will we rule out the possibility that a report is credible until we have thoroughly investigated the report to our satisfaction. That involves going to the area of the alleged live sighting, talking to witnesses, and eliciting information from the Vietnamese government in a process that we regard as sound and credible.

## II. Discrepancy Cases

Since the lifting of the embargo, the Priority Case Investigation Team (established to investigate last known alive discrepancy cases) has continued to make tangible progress. Four investigations were completed in March; 13 investigations were initiated in April (2 new investigations and 11 reinvestigations); 13 investigations were completed in May (2 initial investigations and 11 reinvestigations); and on August 2, the PCIT initiated 5 additional reinvestigations. As a result of these investigations, we have been able to confirm the fates of an additional 18 individuals, reducing the number of individuals on the last known alive discrepancy case list from 73 in February to 55 at present. Each of the remaining cases has now been investigated at least once. In some instances, individual cases have been investigated as many as five times.

## III. Trilateral Investigations

There has not been a trilateral investigation since the lifting of the embargo. This, however, is not the result of a lack of cooperation from Vietnam and Laos, but rather because the United States has been investigating sites in northern Laos that do not require trilateral cooperation. However, by the end of 1994 or early in 1995, as the Joint Task Force's excavation activities in Laos move south, we anticipate that there will be utility in conducting another trilateral investigation. Vietnam has indicated that it is willing to participate in it.

In the first and only trilateral investigation thus far, in December 1993, Vietnamese cooperation was, in most aspects, excellent. The one key area in which we believe improvement is required concerns coordination with Laos about Vietnamese witnesses participating in investigations in Laos.

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Specifically, the Lao are concerned that large numbers of Vietnamese witnesses will be brought into their country during trilateral investigations, and many of them will not return home once the investigations are completed. Therefore, their strong preference is that Vietnamese witnesses be interviewed in Vietnam, rather than in Laos, whenever possible. In those cases where it is necessary to bring Vietnamese witnesses into Laos, the Laotian government has requested that Vietnam provide advance notification of these witnesses, so that it can make its own determination as to whether or not each witness' presence is required. The Administration has pursued this matter with Vietnam and requested that such a list be provided in advance of the next investigation.

#### IV. Documents

The Vietnamese have not turned over any major documents since September 1993, when they provided the U.S. with 6 wartime documents from key Defense Ministry officials; including a 46-page summary of 2,466 aircraft shootdowns and a list of pilots captured. However, since February 1994, the Vietnamese provided access to personal diaries of military officers, including the diary of a former commander of an important air defense battalion. Additionally, the Vietnamese have allowed the JTF-FA archivist to conduct independent research in the Ministry of Defense and national libraries. They have granted that archivist access to unpublished memoirs of Vietnamese military officials and archival copies of the provincial newspapers, a potentially useful source of information about shootdowns.

The 1994 Presidential delegation pressed the Vietnamese government on the importance of receiving additional documents that could help determine the fate of POW/MIAs. The delegation proposed that Vietnam create special document teams specifically tasked to expedite the search for documents in all relevant agencies. The Ministry of Interior immediately agreed to form such a team, and the delegation was informed that other ministries were studying the proposal as well. The delegation also urged the Vietnamese government to provide the specific documents that were requested by the National League of POW/MIA Families during its March 1994 delegation to Vietnam and we will continue to press the government to do so.

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**CONCLUSION**

When I lifted the trade embargo in February and announced the opening of liaison offices, I stated that I had decided to take these steps because I believed that doing so would maximize the prospects for progress in achieving the fullest possible accounting of our POW/MIAs. Since that decision, there has indeed been progress, which has been described in detail in this report. Among the most significant aspects of this progress have been:

- o a reduction in the number of individuals involved in discrepancy cases in Vietnam from 73 to 55;
- o increased cooperation on Joint Field Activities, including access to sensitive military areas in Cam Ranh Bay, as well as to Haiphong Harbor;
- o agreement to establish a special documents team in the Ministry of the Interior and possibly other ministries as well;
- o an increase in publicity for the amnesty program, encouraging private citizens to come forward with remains;
- o the opening of an office in Ho Chi Minh City dedicated to recovering remains of those who died in the south; and
- o a general commitment not only to increase cooperation on joint activities, but to take additional unilateral steps as well, which we are working to identify.

Nevertheless, despite this tangible progress, I believe there are additional steps Vietnam could take to help achieve the fullest possible accounting within the four categories I specified, including:

- o providing a comprehensive report on the 84 special remains cases;
- o providing additional documents, including those on the list provided by the National League of POW/MIA Families in March of this year;
- o providing advance notification to the Government of Laos of the names of Vietnamese witnesses whose presence will be required in Laos for the next trilateral investigation;

- o continuing cooperation on resolving the remaining discrepancy cases, to include providing access to veterans who may have knowledge of these cases; and
- o completion of the last pending live sighting case.

In conclusion, I am steadfast in my determination to achieve the fullest possible accounting and, to reiterate my words on lifting the embargo, future improvement in our relationship with Vietnam will be contingent upon "more progress, more cooperation, and more answers."

x x x Yes?

Q My name is -- (inaudible). In Vietnam, what are the prospects for settlement as far as claims?

MR. LORD: The question is the prospects for settlement of claims in Vietnam. Extremely good. I would expect -- I don't want to make headlines -- we're on the record, I guess. I just remembered that a little bit too late. (Laughter.) We've made very good progress on the claims negotiations and, frankly, we're quite close to agreement. And I'm confident that whether it's private claims or government claims that we'll have a fully satisfactory resolution of this. I can't be more specific than that, but I'm very optimistic about it.

Yes?

Q (Name and affiliation off mike.) Regarding North Korea, to what extent do you think Kim Jong Il has submitted his authority and power as the successor to his father, and do you see a connection between his coming out in public for the first time since the funeral on the 16th of October and the agreement being reached between the United States and North Korea on the 17th of October?

MR. LORD: Well, let me take the last specific question first. The quick answer to each of these questions is I don't know. I mean, that's -- (laughter) -- followed by "nobody else knows, either," because it is a very opaque society, as you well know. I haven't given the usual State Department fudge and hedging, but it's only intellectual honesty in this case, let me say the following.

On the last question first, we can't be sure, of course, but we know the North Korea delegation in the final stages of this agreement were pressing very hard for a fast agreement. Now part of that might have been negotiating tactics, but part of it might well have been related to the fact that they wanted to have this as an accomplishment for Kim Jong Il as he sort of more visibly took the reins of power or they may have used that speculation on our part to try to drive the agreement. We were not willing to be rushed, and for those who say we were rushed toward an agreement, I would point out we've been negotiating this for 17 or 18 months, so we've hardly been rushing toward an agreement.

Now, we can't be sure what's gone on in North Korea. Certainly right after Kim Il Sung's death there was a continuity of policy. Indeed, he died just before the rather major breakthroughs in August. But then there was a setback in September where the North Koreans thought of retreating on several fronts.

MORE

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x x x well.

But even then, some things are going well: the building of this architecture, as I indicated, regional, economic and security; moving ahead on Vietnam; changing, with the help of a distinguished ambassador here in the audience, our policy toward New Zealand; good relations with Australia, et cetera. So I would have said even then and I did say then that I felt about our policy toward Asia last spring somewhat the way that Mark Twain felt about Wagner's music: it's not as bad as it sounds. (Laughter.)

Now, since then we've been in a third phase as we head toward APEC, and I think we've gained a considerable degree of momentum, although of course there are some huge problems. But first we have the general upsurge in the reputation for credibility and competence of the Clinton administration on foreign policy, whether it's Haiti; more indirectly, but still of some significance, Northern Ireland; no credit for this, but it all rubs off -- South Africa; Kuwait; the Middle East generally, where the president and the secretary are now; and, of course, the Korean agreement.

And the Korean agreement has taken care of, at least temporarily, although we've got a very tough road ahead of us, or eased one of those three Northeast Asian problems that I mentioned of last spring. With Japan we reached an agreement that addressed, I think rather well, all three of our audiences -- Japan, Asia in general, and our domestic and congressional audience. And with China in the wake of de-linking MFN from human rights issues, but determined to pursue human rights in other ways, we've had a series of high-level visit and exchanges that I think are improving that relationship, although we have some difficult problems.

Now, I'm going to spend a little time in each one of those three in a few minutes, without in any way denigrating the importance of other issues, but I did want to flesh some of these out, and in the Qs and As we can get into more depth in some of the others if you'd like.

But in addition to this momentum, we're moving ahead with Vietnam, and I would expect liaison offices to open up within a few weeks, and we're building our economic ties in the wake of lifting the embargo, with the MIA question still, of course, being our highest priority. And we're working closely in particular with our Southeast Asian friends as well as others on this regional architecture that I'll also mention.

Now let me take each of these a little bit more in depth in turn, beginning with China. The president came into office believing that China was an extremely important bilateral relationship, but also believing in human rights, and it's been a tension to a certain extent between those that has marked our policy the last couple of years.

MORE

**Vietnamese Statements on Foreign Investment and Relations**

**FOREIGN INVESTMENT BY COUNTRY (as of 22/9/94)**

Country	No. of projects	Total capital (\$)	Prescribed capital (\$)
1 Hong Kong	208	1.8 billion	908 million
2 Taiwan	167	1.79 billion	872 million
3 South Korea	89	791 million	277 million
4 Australia	46	763 million	212 million
5 France	66	735 million	232 million
6 Singapore	73	605 million	311 million
7 Malaysia	32	579 million	281 million
8 Japan	68	538 million	269 million
9 Britain	17	402 million	134 million
10 Netherlands	14	394 million	207 million
11 Switzerland	16	247 million	124 million
12 Thailand	53	225 million	147 million
13 United States	21	187 million	82 million
14 Russia	49	175 million	121 million
15 Indonesia	11	161 million	57 million
16 Canada	16	132 million	44 million
17 Ireland	15	87 million	39 million
18 Sweden	7	79 million	14 million
19 Philippines	11	60 million	30 million
20 Denmark	4	52 million	40 million
21 Ukraine	6	45 million	38 million
22 Austria	1	39 million	0
23 Belarus	1	38 million	14 million
24 Germany	14	32 million	20 million
25 Italy	5	28 million	11 million
26 North Korea	3	24 million	18 million
27 New Zealand	3	23 million	7.7 million
28 Czechoslovakia*	2	21 million	7.2 million
29 China	22	18 million	13 million
30 Panama	5	11 million	4.8 million
31 Luxembourg	3	11 million	7.7 million
32 Belgium	6	10 million	3.1 million
33 Hungary	5	9.4 million	8.7 million
34 Guernsey	1	9.0 million	2.7 million
35 Lichtenstein	1	8.0 million	2.0 million
36 Cuba	1	6.6 million	2.2 million
37 Laos	2	6.3 million	2.7 million
38 Macau	2	3.1 million	3.1 million
39 Norway	3	1.8 million	1.8 million
40 Cambodia	1	1.6 million	1.6 million
41 Brunei	1	1.5 million	500,000
42 Latvia	2	1.5 million	1.1 million
43 Poland	1	200,000	200,000
44 Argentina	1	120,000	120,000
45 Finland	1	81,000	0
<b>TOTALS</b>	<b>1076</b>	<b>10.2 billion</b>	<b>4.6 billion</b>
Projects in Progress	902	9.3 billion	
Licences Expired	9	89 million	
Licences Revoked	165	776 million	

\* No separate figures available for Czech Republic or Slovakia

Note: excludes overseas investment projects

Source: SCCI

**FOREIGN INVESTMENT APPROVED**

**HOTELS & TOURISM**

**TAIWAN**

**Juan Cheng I (75%)**  
**VN: Hong Gai Import-Export Co (25%)**  
**JV Title: Royal International Hotel Co.**  
 Established for hotel & entertainment business  
*Investment Capital: \$39 million*  
*Legal Capital: \$15 million*  
*Duration: 35 years*

*Legal Capital: \$10 million*  
*Duration: 20 years*

**HONG KONG**

**Chia Hsin Vietnam Co Ltd (100%)**  
**100% FIE established to raise livestock and process frozen meat in Song Be**  
*Investment Capital: \$38 million*  
*Legal Capital: \$13 million*  
*Duration: 35 years*

**MANUFACTURING**

**FOOD & FOODSTUFFS**

**SOUTH KOREA**

**Miwon Co Ltd (70%)**  
**VN: Industrial Construction Co (30%)**  
**JV Title: Miwon Widjaja Vietnam Co Ltd**  
 Licenced to produce MSG in Vinh Phu  
*Investment Capital: \$10 million*  
*Legal Capital: \$5 million*  
*Duration: 20 years*

**SOUTH KOREA**

**Chang Shin Vietnam Co (100%)**  
 100% FIE established to produce sports shoes and garments for export in Song Be  
*Investment Capital: \$11.68 million*  
*Legal Capital: \$5 million*  
*Duration: 30 years*

**THAILAND**

**Decha Fishing Net Industry Co (100%)**  
 100% FIE established to produce fishing nets in Can Tho EPZ  
*Investment Capital: \$13.48 million*  
*Legal Capital: \$4.1 million*  
*Duration: 25 years*

**AUSTRALIA**

**Amada Aquaculture Ltd (70%)**  
**VN: Cuu Long Aquaculture Ltd (30%)**  
**JV Title: ACS Shrimppo Ltd**  
 Established to raise shrimps in Tra Vinh  
*Investment Capital: \$1.33 million*  
*Legal Capital: \$645,700*  
*Duration: 20 years*

**BELGIUM**

**International Gem Manufacturers NV (60%)**  
**VN: Hanoi Import-Export & Investment Co (40%)**  
**JV Title: Hanoi Gem Manufacturing JV Co Ltd**  
 Established to process gems in Hanoi  
*Investment Capital: \$1.05 million*  
*Legal Capital: \$350,000*  
*Duration: 20 years*

**UNITED STATES**

**Harcourt Investment Corp (58%)**  
**VN: Song Be Mountainous Economic Development & Service Co (42%)**  
**JV Title: Harcourt-Edesco Ltd**  
 Established to produce instant coffee  
*Investment Capital: \$8.9 million*  
*Legal Capital: \$3.4 million*  
*Duration: 30 years*

**GERMANY**

**Siemens (51%)**  
**VN: VNPT (49%)**  
 Established to produce fibre optical cable & accessories in Song Be  
*Investment Capital: \$14.9 million*  
*Legal Capital: \$8.1 million*  
*Duration: 20 years*

**CANADA**

**Canadian Consulting Corp (100%)**  
**Title: Cock Farming and Chicken Processing for Export Co Ltd**  
 100% FIE established to rear and process chickens in Ninh Binh  
*Investment Capital: \$8.5 million*  
*Legal Capital: \$8.5 million*  
*Duration: 12 years*

**AUSTRALIA**

**Pacific Asia Industry Ltd (70%)**  
**VN: Z751 Compound (30%)**  
**JV Title: Pacific Asia Environmental Equipment Manufacturing Co**  
 Established to manufacture waste & environmental equipment in Saigon  
*Investment Capital: \$3 million*  
*Legal Capital: \$3 million*  
*Duration: 20 years*

**SINGAPORE**

**Goodman Fielder Overseas Holdings Ltd (70%)**  
**VN: Vinafood Co (30%)**  
**JV Title: Vietnam Wheatflour Processing**  
 Established to process wheat in Saigon  
*Investment Capital: \$18.58 million*

**FOREIGN INVESTED PROJECTS  
IN OPERATION BY PROVINCE (as of 24/9/94)**

PROVINCE	NO. OF PROJECTS	TOTAL CAPITAL (\$)*	PRESCRIBED CAPITAL(\$)*
1 An Giang	6	6.3 million	3.1 million
2 Bac Thai	3	27 million	12 million
3 Ba Ria-Vung Tau	29	292 million	188 million
4 Ben Tre	2	21 million	7.3 million
5 Binh Dinh	5	15 million	6.2 million
6 Binh Thuan	7	23 million	13 million
7 Can Tho	9	25 million	13 million
8 Dac Lac	2	5.1 million	5.1 million
9 Dong Nai	83	818 million	332 million
10 Dong Thap	3	39 million	2.1 million
11 Gia Lai	2	4.3 million	4.3 million
12 Ha Bac	4	15 million	12 million
13 Hanoi	161	1.7 billion	702 million
14 Ha Tay	10	116 million	70 million
15 Ha Tinh	5	42 million	16 million
16 Hai Hung	8	27 million	16 million
17 Hai Phong	25	627 million	238 million
18 Hoa Binh	2	4.8 million	1.5 million
19 Khanh Hoa	12	37 million	23 million
20 Kien Giang	3	262 million	127 million
21 Lam Dong	16	105 million	80 million
22 Lang Son	3	1.2 million	1.1 million
23 Lao Cai	1	12 million	3.6 million
24 Long An	9	44 million	36 million
25 Minh Hai	4	10 million	10 million
26 Nam Ha	1	815,600	815,600
27 Nghe An	4	9.3 million	8.8 million
28 Ninh Binh	1	8.5 million	8.5 million
29 Ninh Thuan	2	2.7 million	2.5 million
30 Phu Yen	4	3.8 million	1.3 million
31 Quang Binh	2	2.3 million	2.3 million
32 Quang Ngai	2	4.8 million	4.7 million
33 Quang Ninh	11	101 million	70 million
34 Quang Nam - Da Nang	28	211 million	87 million
35 Soc Trang	1	775,680	650,000
36 Son La	1	19 million	5.6 million
37 Song Be	33	249 million	118 million
38 Tay Ninh	3	8.5 million	8 million
39 Thai Binh	4	4.4 million	2.8 million
40 Thanh Hoa	4	72 million	32 million
41 Thua Thien-Hue	4	63 million	57 million
42 Tien Giang	3	49 million	16 million
43 Tra Vinh	3	7.3 million	4.6 million
44 Vinh Long	2	4.4 million	2.7 million
45 Vinh Phu	5	40 million	23 million
46 Yen Bai	2	4.7 million	4.7 million
47 Ho Chi Minh City	349	3.0 billion	1.5 billion
<b>Totals</b>	<b>977</b>	<b>8.0 billion</b>	<b>3.8 billion</b>

\* Excludes oil & gas projects and overseas investment projects

Oil & Gas	25	1.3 billion	
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Source: SCCI

**COUNTRY FOCUS: JAPAN**



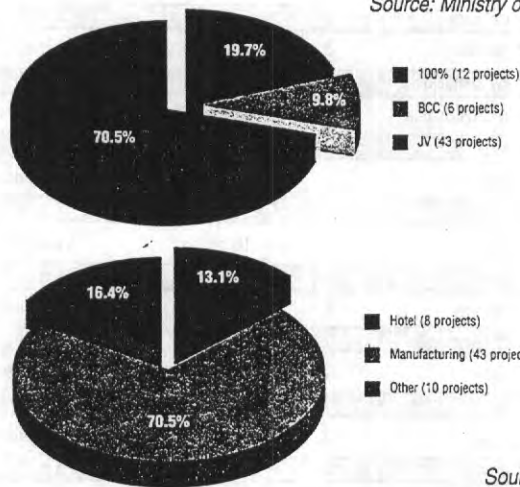
**EXPORTS TO JAPAN**

Rice:	\$16.8 million
Seafood:	\$166.3 million
Coffee:	\$4.2 million
Garments:	\$57.3 million
Coal:	\$20.6 million
Crude oil:	\$617 million
Parachute fabric:	\$1.6 million
Other:	\$18 million
<b>Total:</b>	<b>\$901.8 million</b>

**IMPORTS FROM JAPAN**

Foodstuffs:	\$11.1 million
Textiles/dyes/garments :	\$21.8 million
Petroleum:	\$14.9 million
Pharmaceuticals:	\$13.4 million
Chemicals/fertilisers/plastics/insecticides:	\$28.4 million
Cars, motorbikes, vans:	\$163.1 million
Steel:	\$13.5 million
TVs, electrical goods:	\$78 million
Steam turbines :	\$33 million
Other:	\$15.3 million
<b>Total:</b>	<b>\$392.7 million</b>

Source: Ministry of Trade



Source: SCCI

**TOTAL FOREIGN INVESTMENT BY SECTOR**

Sector	Number of projects	Investment (\$)
General Industry	553	3.8 billion
Oil & Gas	27	1.4 billion
Agriculture & Forestry	84	510 million
Fisheries	49	232 million
Transport, Comms & Post	23	637 million
Hotels & Tourism	123	2.1 billion
Services	150	805 million
Finance & Banking	16	177 million
Housing Development	6	26 million
Others	25	93 million
Export Processing Zones	20	349 million
<b>TOTAL</b>	<b>1076</b>	<b>10.2 billion</b>

Source: SCCI



# IBVI



## Foreign Investment By Country

Country	No. of projects	Total capital (\$)	Prescribed capital (\$)
1 Taiwan	146	1.69 billion	815 million
2 Hong Kong	195	1.67 billion	849 million
3 Australia	41	756 million	206 million
4 France	60	722 million	222 million
5 South Korea	74	731 million	244 million
6 Singapore	65	548 million	278 million
7 Japan	64	526 million	265 million
8 Malaysia	25	511 million	258 million
9 Britain	16	387 million	119 million
10 Netherlands	13	380 million	197 million
11 Switzerland	16	247 million	124 million
12 Thailand	50	195 million	132 million
13 Russia	48	174 million	121 million
14 Indonesia	11	161 million	57 million
15 United States	15	142 million	54 million
16 Canada	15	123 million	36 million
17 Sweden	7	79 million	14 million
18 Ireland	14	75 million	35 million
19 Philippines	11	60 million	30 million
20 Denmark	4	52 million	0
21 Ukraine	6	45 million	38 million
22 Austria	1	39 million	0
23 Belarus	1	38 million	14 million
24 Italy	5	28 million	11 million
25 North Korea	3	24 million	18 million
26 Czechoslovakia	2	31 million	7.2 million
27 New Zealand	2	19 million	6.4 million
28 Germany	13	15 million	12 million
29 China	20	14 million	12 million
30 Hungary	5	9.4 million	8.7 million

*\*as of 8/15/94* *Source: SCCI*

## List of Projects Licensed in 1994

Trade Name	Foreign Investors	Business Fields	Location	Total Invested Capital (unit: US\$)
LANG HA CLUB SAIGON SUPERBOWL	Link Resource Sut 1	Sports club Entertainment	Hanoi HCMC	2,310,000 8,500,000
VINA STAR MOTORS CORP.	Leisure Pte. Ltd. Perusahaan Automobile National Berhad; Mitsubishi Corp.	Manufacturing automobiles and spare parts	Song Be Province	50,000,000
THOI TRANG TRE MAGAZINE SEVEN CORPORATION GARMENT JVC	Ringer AG	Printing, distributing magazines Garments	Hanoi HCMC	— 800,000
INTERNATIONAL MAGAZINE CONTRACT	Atsumi Fashion Co. Bangkok Innerwear Co.; Metran; Mitsuwa Ringer AG	Distributing the International Magazine	Hanoi	—
V.F.C. PRIME DEVELOPMENT CO. LTD.	Campenon Bernard S.G.E. Hong Sang Land Pte. Ltd.	Contractor	Hanoi Hanoi	1,000,000 10,000,000
NGUYEN DU BUILDING	Patvia Properties Ltd.	Houses and offices for rent	Hanoi	3,322,900
THE HANOI PLAZA LTD.	Dragon Properties Asia Ltd.	Officetel	Hanoi	41,000,000
T.N. DEVELOPMENT CO. LTD.	Intertrade Co. Ltd.	Houses for rent	Hanoi	4,391,850
THANG LDI KOTUSUKI JV.	Confectionery Kotobuki Co. Ltd.	Purified water	HCMC	302,780
DAI DUNG UNITED INTERNATIONAL OCEAN PLACE JVC LTD.	United Industry International Lam Ho Investment Pte. Ltd.	Wooden products 5 star hotel	Song Be Province HCMC	516,000 45,000,000
PUREE FARMING INDUSTRIES (VN) LTD.	Galorg Industrial Co.	Raising shrimp for export	Binh Thuan Province	7,000,000
TDSA INTERNATIONAL	Feal International; AAPC Asia Pte. Ltd.	Hotel	Hai Phong	11,550,000
PRICE WATERHOUSE VIETNAM LTD.	Price Waterhouse Vietnam Holdings, Inc.	Audit, Consultancy	Hanoi	600,000

*Source: SCCI*

## Local Commodities Prices

10,900 Vietnamese Dong = \$1.00 U.S.

Commodities	Unit	Latest sale to Aug. 15		August 7		6 months ago		A year ago	
		Hanoi	HCMC	Hanoi	HCMC	Hanoi	HCMC	Hanoi	HCMC
Gold (99.99)	1/10 tael	522,000	522,000	520,000	52,000	512,000	516,000	493,000	495,000
USD	USD1	10,989	10,990	10,990	10,990	10,875	10,875	10,680	10,650
Mild grade rice	Kg	2,350	2,300	2,200	2,300	2,150	2,350	1,800	2,100
Pork	Kg	15,000	22,000	15,500	22,000	12,500	19,000	13,500	20,000
Mogas 83 petrol	Litre	2,800	2,600	2,800	2,600	2,600	2,500	2,600	2,500
Urea fertilizer	Kg	2,700	2,100	2,200	2,100	1,650	1,560	1,650	1,560
Heineken beer	Carton	198,000	201,000	199,000	201,000	210,000	195,000	181,000	171,000
PELD plastic grain	Kg	7,800	8,000	7,800	8,000	7,400	7,600	NA	NA
0.6 cm steel rod	Kg	4,000	3,800	4,150	3,800	4,200	3,780	5,600	5,800
RE sugar	Kg	6,500	6,800	6,500	7,000	5,600	5,500	5,400	5,600
Ong Tho milk	Can	6,000	5,900	6,000	5,900	5,700	5,400	5,700	5,300
Ajinomoto MSG	Pound	9,200	9,000	9,200	9,200	9,100	9,000	NA	NA
VN PC30 cement	Kg	740	880	740	890	700	830	640	840

*NA: not available (Figures extracted from Reports on Market & Price provided by the General Statistics Bureau)*

# World Bank Projects

	SPONSOR	S	PROJECT	PURPOSE	STATUS	CONTACT
Roads	The World Bank	\$150 M	Highway Rehabilitation II	1. Rehabilitate 300 km of Hwy No. 1 (including bridges); 2. Procure road maintenance equipment.	Consulting services for feasibility studies, technical assistance; project being identified.	Ministry of Transport Hanoi Tel: 844-252-079 Fax: 844-267-291
Energy	International Development Agency	\$150 M	Power Sector Rehabilitation and Expansion	1. Rehabilitate and expand systems in HCMC, Hue, and Nha Trang; 2. Expansion southern and central VN; 3. Construct load dispatch centers in southern and central VN; 4. Convert gas-turbine plant to combined cycle operation at Ba Ria.	Consulting services required for project management of all components of project; project preparation underway.	Power Company No. 2 HCMC Tel: 848-297-150 Fax: 848-299-680
Water	International Development Agency	\$125 M	Water Supply	Project components: additional capacity and rehabilitation of water supply systems in Hanoi, Haiphong, Danang, and Hang Gai/Cam Pha; water treatment plants and upgrading distribution; dislodging of drainage systems, construction of pumping stations.	Consulting services, to be financed through bilateral donors, required for feasibility studies, detailed design, and supervision; feasibility studies to start in August 1994.	Ministry of Construction Hanoi Tel: 844-255-497 Fax: 844-252-153
Structural Adjustments	International Development Agency	\$130 M	Structural Adjustment Credit I	1. Help finance VN's balance of payments affected by reforms and trade liberalization policies; 2. Address important issues of fiscal policy.	Consulting services to be determined; Appraisal pending approval by Loan Committee.	To be determined.
Reconstruction/ Rehabilitation	International Development Agency	\$65 M	Irrigation Rehabilitation	1. Rehabilitation and completion of five to seven irrigation schemes located in the central part of Vietnam; institutional strengthening of the Ministry of Water Resources.	Detailed design for five subprojects is under preparation. Appraisal mission scheduled.	Ministry of Water Resources Hanoi Tel: 844-258-141 Fax: 844-256-929
Education	International Development Agency	\$50 M	Higher Education and Consolidation	1. Focus on policy, management and administration, and encourage autonomy and accountability; 2. Support institutions, their faculties or disciplines through a competitive fund.	Need for consultants not yet determined; project in early stages of identification.	Ministry of Education Hanoi Tel: 844-264-795 Fax: 844-268-085

# Asian Development Bank Projects

Transport and Communication	ADB	\$500,000	MIS for Saigon Port	1. To enable Saigon Port Authority to computerize basic management and financial information and help instill a commercial orientation in the future operation of the port.	Staff review Committee meeting completed; consultants not yet recruited.	Saigon Port Authority Ho Chi Minh City Fax: 848-224-168 ADB contact: C. S. Chandrasekhar,
Agriculture	ADB	\$80 M	Irrigation and Rural Development	To support process of diversification to a multi-sectoral economy, comprising state-owned enterprises, cooperatives, and private sector; to enhance resource allocation and operation of economy.	Procurement to be determined; management review meeting to be scheduled.	Ministry of Finance Hanoi Tel: 844-253-869 ADB contact: D. Lepper
Energy	ADB	\$580,000	Energy Planning	To establish the capacity for coordination, policy analysis, planning and management of energy sector.	Consulting services required in fields of development economics, energy planning and policy, and database management. Fact finding mission completed; consultants not yet recruited	State Planning Committee Institute For Long Term Planning, Hanoi Tel: 844-263-555 Fax: 844-252-209 ADB contact: A.J. Jude
Institutional	ADB	\$1.5 M	Agriculture and Fisheries	To upgrade and develop technical and managerial capabilities of fisheries sector.	Consultants in resource management, MIS, and benefits evaluation. Fact finding mission completed; consultants not yet recruited	Ministry of Fisheries Hanoi Tel: 844-256-396 Fax: 845-254-702
Aquaculture	ADB	\$600,000	Agro-Industries/ Fisheries	To formulate framework for sustainable development of aquaculture sub-sector.	Consultants required in coastal aquaculture and management; fact finding mission completed; consultants not yet recruited.	Ministry of Finance Hanoi Tel: 844-253-869 ADB contact: Y.K. Shin
Energy	ADB	\$428,000	National Tariff Study	To develop an appropriate tariff policy for the power sector, review the existing tariff levels, billing collection procedures and to propose a suitable tariff structure.	Fact-finding mission completed; Consultants not yet recruited.	Ministry of Energy Hanoi Fax: 844-259-226 ADB contact: B. Karunaratne

Source: The World Bank, ADB: latest proposed projects.

## PROCEDURE FOR OPENING REPRESENTATIVE OFFICES (RO)

### 1) AN APPLICATION FOR AN RO LICENCE MUST BE :

- in prescribed form on company letterhead, and should be notarised; and
- completed in duplicate in English and Vietnamese

*The application must be accompanied by :*

- a copy of the articles of association and certificate of incorporation, if any, of the applicant, certified by the company secretary and notarised;
- a certificated from a bank or the applicant, which confirms the applicant's prescribed capital;
- a copy of any proposed or signed project contract with an authorised Vietnamese legal entity;
- any brochures of the applicant; and
- a profile of the applicant in prescribed form, which should also be notarised.

*The application must be sent to the Ministry of Trade and the people's committee of the place where the office will be established.*

*Within 30 days of receiving the application, the people's committee is required to advise the Ministry of Trade of its position in relation to the application.*

*Within 60 days of receiving the application, the Ministry of Trade is required to notify the applicant of its decision.*

### 2) REGISTRATION CERTIFICATE

*An application for registration of the RO's activities must be submitted to the relevant people's committee within 60 days of the RO licence being issued.*

*The application must be submitted in quadruplicate in Vietnamese and English. Each copy must be signed by the person nominated as the chief representative.*

*It should state :*

- the address of the office
- the number of foreign and local staff
- the proposed date of commencement of operations
- the nature of the activities in which the RO will be engaged

*The application should be accompanied by:*

- a copy of the RO licence;
- a copy of the letter of appointment of the chief representative;
- the curricula vitae of the chief representative and any other foreign person working in the office. This may need to be in a prescribed form issued by the relevant people's committee and printed on company letterhead;
- a copy of the lease of the proposed office premises of the company; and
- if any Vietnamese are to be employed immediately, a copy of the employment contract.

*The people's committee should issue a registration certificate in the prescribed form within 15 days of receiving the application.*

**Fee: A flat fee of \$5,000**

**SOCIALIST REPUBLIC OF VIETNAM**

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**THE STATE COMMITTEE  
FOR CO-OPERATION AND  
INVESTMENT**

Hanoi - January 1994

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## VIETNAM BASIC DATA

	Unit	1990	1991	1992	1993 (estimated)
1. Area	Square Km	331,041.0	331,041.0	331,041.0	331,410.0
2. Population average	Mill. persons	66.2	67.2	69.3	70.9
of which urban inhabitants	-id-	13.3	13.6	14.0	-
3. Population and training					
- Grade school pupils	Thous.	11,710.1	11,862.9	12,371.4	-
- Primary schooling	-id-	11,048.1	8,766.4	9,081.3	-
- Elementary schooling	-id-	-na-	2572.4	2721.9	-
- Secondary schooling	-id-	662.0	524.2	568.2	-
- University & colleges	-id-	129.6	107.0	136.8	-
- Technical workers	-id-	95.4	63.8	-na-	-
- Grade school teachers	-id-	439.1	434.8	423.7	-
+ Primary schools	-id-	254.1	258.0	259.0	-
+ Elementary schools	-id-	145.3	140.4	129.6	-
- Secondary schools	-id-	39.7	36.4	35.1	-
- Universities & colleges teachers	-id-	21.9	21.8	21.0	-
- Technical teachers	-id-	6.6	6.1	6.1	-
5. Gross Domestic Products (actual value)	Bill. VND	38.166	69.959	101.870	125,074
6. Gross foreign trade turnover	Mill.USD	5,156.4	4,425.2	4,980.9	6,307.3
7. Total value of exports	Mill.USD	2,404.0	2,087.1	2,475.0	3,000.0
8. Total value of imports	Mill.USD	2,752.4	2,338.1	2,505.9	3,307.3
9. Foreign capital investment in Vietnam	Mill.USD	596.0	1288.0	1939.0	2777.0

## BASIC INFRASTRUCTURE

1	Road ways	105,000 Km
	of which: Highways	11,000 Km
2	Railways	2,380 Km
	of which the Huu Nghi Quan-Hanoi-Hochiminh Route	1,763 Km
3	Air ways	
	Total number of airports	16
	of which: International Airports	3
4	Seaports	15
	of which the 3 largest sea ports: Haiphong, Danang, Hochiminh.	
5	Electricity	
	Generated power capacity (1993 estimated)	10,846.6 Million Kwh
	of which: Hydropower	5,618.0 Million Kwh

## PRINCIPAL MINERALS

1	Crude oil (Continental shelf)	30-70 Billion barrels
2	Anthracite coal	about 2 - 3 Billion tons
3	Bauxite	over 7 Billion tons
4	Apatite	over 1,7 Billion tons
5	Kaolin	1.0 Billion tons
6	Iron ore	700 Million tons
7	Tin ore	73,000 tons
8	Copper ore	600,000 tons
9	Nikel ore	120,000 tons

## PROFESSIONAL EDUCATION

1	Universities	106
2	Professional Secondary Schools	268
3	Vocational Technical Schools	213

## FOREIGN INVESTMENTS BY FOREIGN PARTNERS

(1988 - 1993)

Total licensed projects (1) + (2) + (3):	7,504,813,074 USD
♦ Number of revoked projects (1):	625,416,503 USD
♦ Completed projects (2):	88,045,000 USD
♦ Project are being realized (3)	6,791,352,571 USD

### PROJECTS WHICH HAVE BEEN OR ARE BEING REALIZED IN VIETNAM

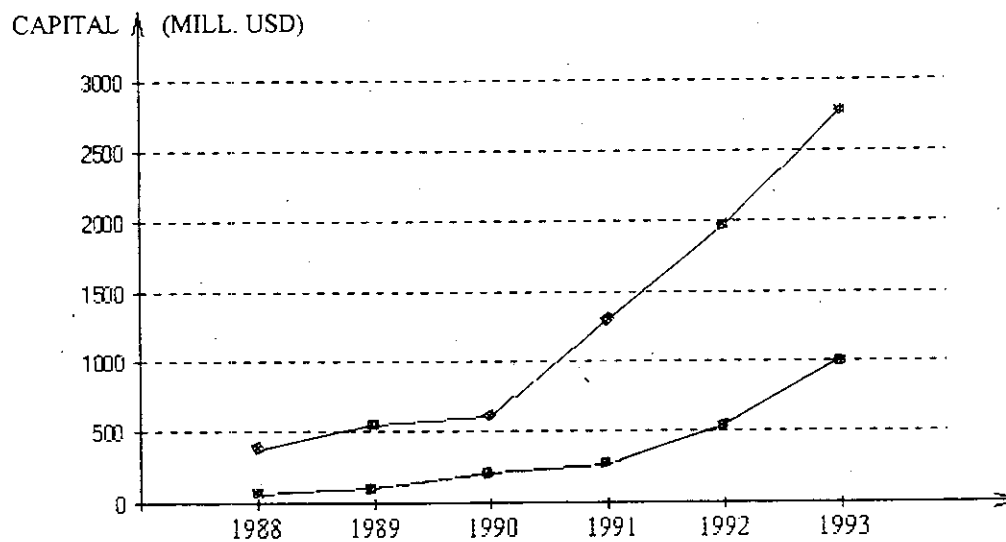
No	Foreign Partners	Total Capital (USD)
1	Taiwan	1,509,246,601
2	Hongkong	1,142,702,220
3	Republic of Korea	536,019,815
4	Japan	465,336,651
5	Malaysia	456,262,690
6	France	445,270,225
7	Australia	419,925,428
8	Singapore	382,435,877
9	United Kingdom (U.K)	308,200,253
10	The Netherlands	283,005,900
11	Thailand	127,780,309
12	Federal Republic of Russia	120,690,740
13	Indonesia	118,467,021
14	Canada	112,431,522
15	Ireland	62,359,450
16	Sweden	59,647,400
17	The Philippines	55,077,359
18	Republic of Ukraine	45,748,600
19	Republic of Belarus	37,820,000
20	Italy	28,922,650
21	Austria	27,000,000
22	New Zealand	19,362,500
23	Czech Republic	17,500,000
24	Denmark	15,475,000
25	China	14,151,872
26	People's Republic of Korea	12,912,700
27	Switzerland	9,993,000
28	Hungary	9,125,159
29	Liechtenstein	8,000,000
30	Federal Republic of Germany	5,583,168

(Continue)

31	Belgium	5,425,000
32	Panama	3,150,000
33	Macau	3,096,600
34	Other countries	3,045,361
35	Luxembourg	2,000,000
36	Norway	1,687,500
37	Brunei	1,500,000
38	Republic of Latvia	1,473,000
39	Poland	200,000
40	Argentina	120,000
Total (2) + (3)		6,879,397,571

*Note : This chart does not include overseas projects.*

### ANNUAL FOREIGN DIRECT INVESTMENT 1988 - 1993



Year	1988	1989	1990	1991	1992	1993
Annual licensed Cap	366	539	596	1288	1938	2777
Annual deployed Cap	60	100	200	260	535	1001

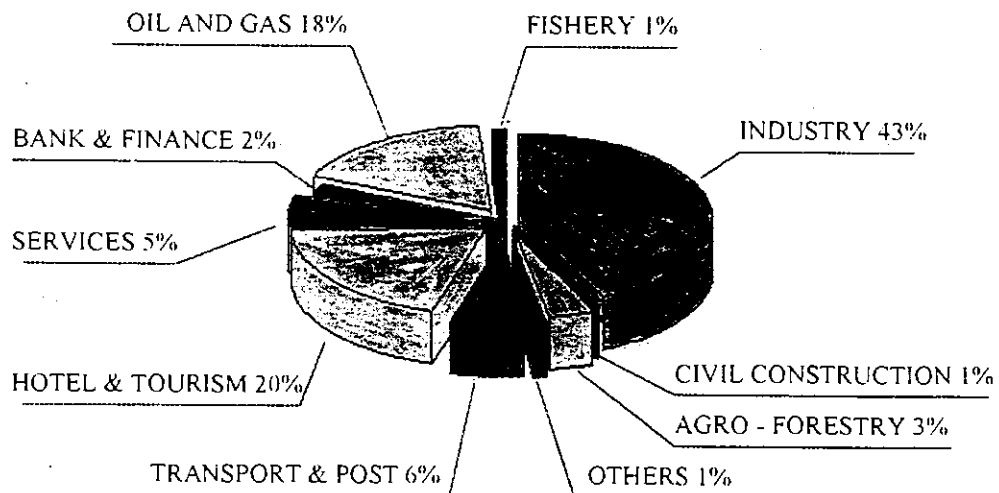
## FOREIGN INVESTMENT BY ECONOMIC SECTORS (1988 - 1993)

Total investment capital of Licensed Projects: USD 7,504,813.074

- ♦ Total investment capital of projects which have been or are being realized in Vietnam broken down by sectors as follows: USD 6,879,397,571

No	Sectors	No of Project	Total investment capital (USD)
1	Industry	392	2,939,123,835
2	Oil and gas	25	1,237,300,000
3	Agriculture, Forestry	46	240,388,260
4	Fishery	27	82,008,852
5	Posts, Communications and transport	19	421,747,545
6	Hotel and Tourism	85	1,384,826,073
7	Services	77	333,956,775
8	Banking, Finance	12	155,150,000
9	Civil Construction	6	28,331,656
10	Others	12	56,564,575
	Total	701	6,879,397,571

*Note: This chart does not include overseas investment projects, projects where the licence has been withdrawn or terminated projects.*



# AN INTRODUCTION TO THE STATE COMMITTEE FOR CO-OPERATION AND INVESTMENT

## 1. Mandate

The State Committee for Co-operation and Investment (SCCI) is a Government body of the Government of the Socialist Republic of Vietnam performing the State administration function over foreign direct investments in Vietnam and Vietnam's investments in foreign countries. The SCCI was founded on 25 March 1989 and is vested with the following powers and responsibilities:

- a. To map out strategies, directions and preferred structures with the objective of attracting foreign direct investment into Vietnam; to prepare and publicize a list of priority projects calling for foreign direct investments in Vietnam.
- b. To formulate and submit to the Government for approval, all drafts of laws, ordinances and policies concerning foreign direct investment in Vietnam and Vietnam's investment in foreign countries; to prepare and submit to the Government all agreements on reciprocal protection and encouragement of investment with the countries concerned.
- c. To provide guidance to all Vietnamese and foreign parties in investing in Vietnam and to Vietnamese parties investing in foreign countries; to propose to the Government the setting up of export processing zones and other forms of investment.
- d. To organize project evaluation for the issuing of licences to direct investment projects under the Law on Foreign Investment in Vietnam and to take part in the consideration and approval of indirect investment projects or projects with foreign loans; to coordinate with other relevant bodies the granting of preferences in accordance with the laws to enterprises with foreign owned capital and the foreign parties to business co-operation contracts.
- e. To control the following in accordance with the provisions of the Government:
  - Foreign direct investment promotion activities in Vietnam;

- Vietnam's investment activities in foreign countries;
  - Investment seminars; and
  - Consultancy services.
- f. To act in co-ordination with the State Planning Commission, the Ministry of Finance, the Ministry of Trade, the Ministry of Science, Technology and Environment, the State Bank and other concerned organs with respect to resolution of important issues in the field of foreign direct investment.
- g. To co-ordinate with branches and localities concerned so as to supervise and inspect the activities of enterprises operating under the Law on Foreign Investment in Vietnam, and to resolve the problems arising in the process of implementing foreign direct investment projects.
- h. To exercise the State administration function over investment consulting and service organizations in Vietnam.
- i. To make submissions to the Prime Minister of the Government as to decisions on the organizations to be in charge of co-operation and investment within branches, provinces and cities under central authority.

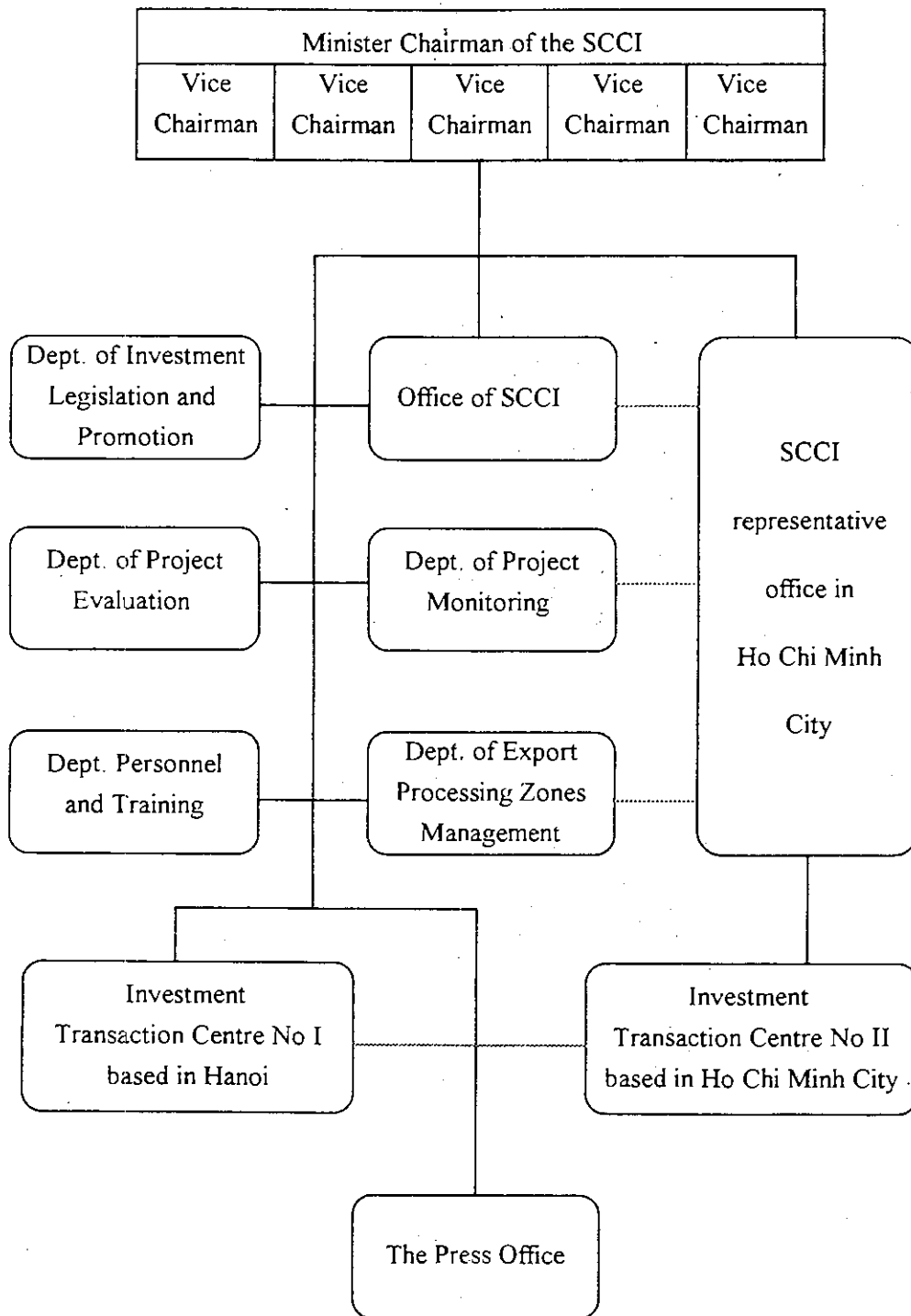
## 2. **Organizational Structure**

The SCCI is headed by the Minister - Chairman of the Committee, who is responsible to the National Assembly and to Prime Minister of the Government for work performance of the entire SCCI. He is aided by a number of Vice Chairmen.

### *Office of the SCCI*

- Assists the leaders of SCCI in handling administrative matters and takes care of financial and physical resources for the efficient operation of the SCCI.

# ORGANIZATIONAL CHART OF THE SCCI



### *Department of Investment Legislation and Promotion*

- Undertakes study for preparing strategies, directions and budgets for attracting foreign investments; compiles a list of priority projects for which foreign investment is sought and conducts research into foreign partners.
- Undertakes study for the drafting of laws and subsidiary laws in relation to foreign direct investment and for the drafting of agreements on reciprocal investments protection and promotion between Vietnam and other countries; study of international laws and treaties in relation to co-operation and investment.
- Organizes the compilation and monitoring of investment promotion materials and documents.
- Proposes the setting up of SCCI's representation abroad and controls the activities of SCCI's representatives in foreign countries.
- Assesses the operations of investment consulting service organizations in Vietnam.

### *Department of Project Evaluation*

- Receives application files for investment projects;
- Organizes project evaluation;
- Prepares investment licences;
- Studies and formulates eco-technical criteria;
- Collects eco-technical information to be used for evaluation work; and
- Prepares model forms and provides guidance for project documentation.

### *Department of Project Monitoring*

- Gives guidance on implementation of licensed projects and inspects and monitors operations of enterprises with foreign owned capital;
- Deals with all issues raised by investors: amendment of licences, capital transfers/assignments, contract termination, early termination etc.
- Assesses the socio-economic effects of foreign direct investment.

### *Department of EPZ Management*

- Takes part in preparing legal documents and policies in relation to the formation and development of export processing zones, intensive industrial estates and special economic zones; and
- Provides guidance on development operations of EPZs and analyses their socio-economic effects.

### *Department of Personnel and Training*

- Monitors the personnel affairs of the SCCI such as recruitment, staff placement, promotion, leave entitlements, retirement and work performance;
- Studies the structure of organizations in branches and localities which manage foreign direct investments;
- Regulates the organization of the machinery of SCCI;
- Studies how to conduct training and organizes training courses to enhance the skills of all personnel engaged in investment with foreign countries.

### *SCCI's Representative Office in Ho Chi Minh City*

- Assumes the work of the office of SCCI in Ho Chi Minh City;
- Receives application files for investment projects;
- Provides guidance for implementation of licensed projects;
- Monitors and inspects project implementation;
- Regulates issues arising in the implementation of projects such as licence amendment, capital transfer and contract termination;
- Assists the EPZ Management Committees in evaluating applications for investment and administers EPZs in the South when required;
- Analyses socio-economic effects of such projects.

*The Investment Transaction Centre (ITC)*

- Is an administrative unit of the SCCI with two branches: the Investment Transaction Centre No. I based in Hanoi and the Investment Transaction Centre No. II in Ho Chi Minh City. ITC is mandated to:
  - ♦ provide guidance based on its first hand knowledge to foreign and domestic investors of investment procedures of formalities, of investment law and of ways to prepare project documentation to apply for investment licences in accordance with promulgated model forms;
  - ♦ provide information in relation to investment.
- Acts as a focal point for contact between foreign and local investors and the SCCI;
- Takes part in organizing seminars on investment in Vietnam; and
- Renders services in relation to foreign investment activities.

*The Press Office of the SCCI*

Is the Press Office of the SCCI, publishing the English language (Vietnam Investment Review), Vietnamese language (Vietnam dau tu nuoc ngoai) and French language (Vietnam Cooperation Investissement).

## BASIC CONCEPTS

### I. INVESTMENT PROTECTION MEASURES

1. The Government of the Socialist Republic of Vietnam guarantees appropriate and equitable treatment to all foreign organizations and individuals investing in Vietnam.
2. During the course of investing in Vietnam, investment capital and assets of foreign organizations or individuals shall not be confiscated or expropriated by administrative measures. Enterprises with foreign owned capital shall not be nationalized.
3. In case there should be any change in Vietnamese legislation that is detrimental to the interests as stipulated in their investment and business licences of parties to a contractual business cooperation, or in a joint venture enterprise, the State of Vietnam shall instigate appropriate measures to protect the interests of investors.
4. Parties to a contractual business cooperation or in a joint venture enterprise shall be entitled to enjoy full autonomy in making their business plans and conducting their operations.
5. Foreign organizations and individuals investing in Vietnam shall be entitled to remit abroad:
  - a. Profits earned during their operations.
  - b. Royalties or fees paid for the supply of technologies or services.
  - c. Principal and interest on loans obtained during operation.
  - d. Investment capital.
  - e. Other sums of money and assets under their legitimate ownership.

Expatriates working in Vietnam in enterprises with foreign owned capital or in relation to business co-operation contracts have the right to remit their legitimate incomes abroad, in conformity with Vietnam's foreign exchange control regulations, after fulfilling income tax payment obligations as stipulated by Vietnamese laws.

6. All disputes that arise between parties to a contractual business cooperation or in a joint venture enterprise, as well as disputes between joint venture enterprises or 100% foreign owned enterprises and Vietnam economic organizations, or between themselves, must first be subject to attempted resolution through amicable negotiation and conciliation between parties concerned.

In case should the parties to a dispute fail to reach an agreement, they may bring it before either a Vietnamese economic arbitration body or an international arbitration body chosen and agreed by themselves.

## **II. FORMS OF INVESTMENT**

Foreign organizations and individuals may invest in Vietnam in any of following forms:

1. Contractual business cooperation
2. Joint venture enterprise or corporation, generally referred to as a joint venture enterprise
3. An enterprise with 100% foreign owned capital
4. A build operate transfer contract.

## **III. EXPORT PROCESSING ZONE (EPZ)**

1. An export processing zone is an industrial estate specializing in export oriented production, and in provision of services to support export activities. EPZs are to be set up by the Government of Vietnam at locations with favourable geographical positions for production and export of goods. EPZs have defined geographical boundaries as set out in their respective establishment decisions. The Government of Vietnam guarantees equitable and appropriate treatment for foreigners who invest in EPZs.
2. Investors who establish operations in EPZs are entitled to separate preferences (see Tax Incentives Section).
3. In EPZs, investors may establish operations in following areas:
  - a. Production, processing and assembly of export products.
  - b. Provision of services relating to exports.

4. Forms of investment in EPZs

- a. An enterprise with 100% foreign owned capital.
- b. A joint venture enterprise between one or several foreign parties and one or several Vietnamese parties.
- c. Contractual business cooperation among EPZ enterprises or between EPZ enterprises and foreign or Vietnamese organizations or individuals having the status of juridical persons, in accordance with the stipulations governing the relations between Vietnamese and foreign enterprises.

**IV. BUILD - OPERATE - TRANSFER CONTRACT (BOT)**

1. A build-operate-transfer contract is a document in writing signed by foreign investors and an authorized State body for the construction and commercial management of infrastructure projects such as bridges, railway, airports and power stations for a fixed duration.
2. BOT contracts may be carried out with 100% foreign capital or with capital which is partially foreign and partially contributed by the Government of Vietnam and/or Vietnamese organizations or individuals.
3. Investor(s) must assume full responsibility for the organization, building and operation of the project for an agreed period upon the expiry of which these are obliged to transfer the project to the State of Vietnam without any compensation.

**V. OPERATIONAL DURATION OF AN ENTERPRISE WITH FOREIGN OWNED CAPITAL**

The operational duration of an enterprise with foreign owned capital (starting from the date of issuance of the business or investment licence) is determined by the Government for each project but shall not exceed 50 years unless special permission is obtained from the standing committee of the National Assembly which may approve a period up to 70 years in specific cases.

## VI. CAPITAL & CAPITAL CONTRIBUTION

### 1. For Joint Venture Enterprise:

- a. The foreign partner to a joint venture enterprise may contribute to the joint venture prescribed capital (also known as legal capital) in:
  - foreign currencies.
  - plant, buildings, machinery, equipment, components.
  - patents, know-how or other technical services.
  
- b. The Vietnamese partner to a joint venture enterprise may contribute to the joint venture prescribed capital (also known as legal capital) in:
  - Vietnamese or foreign currencies.
  - natural resources as per stipulations of the Vietnamese Government.
  - buildings, materials and other kinds of fixtures and furnishings.
  - the value of the rights to the use of land, water or sea surfaces as per stipulations of the government.
  - plant, buildings or other construction projects.
  - machinery, equipment, tools and components.
  - the supervision of construction and commissioning of plants, patents, know-how, technological processes and technical services.

Subject to agreement with the Vietnamese party there is no limit on the proportion of prescribed capital which may be capitalised by the foreign party. Such contribution must, however, be at least 30 per cent of the total prescribed capital.

The prescribed capital of a joint venture enterprise must not be less than 30 per cent of the total investment capital. In special cases, the SCCI may approve less than 30 per cent.