

# VIETNAM

**The New Century**



**Embassy of the  
Socialist Republic of Vietnam  
in the United States  
of America**

# VIETNAM The New Century

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## Introductory from Ambassador Nguyen Tam Chien



Ambassador Nguyen Tam Chien

On behalf of the Embassy of the Socialist Republic of Vietnam, I thank you for your interest in learning about Vietnam. We hope that this brochure will be a modest contribution to strengthening the friendship between our two countries.

The relationship between Vietnam and the United States has been fully normalized, 27 years after the War. Diplomatic normalization on July 12, 1995 broadens educational, cultural, sports, humanitarian and people to people exchanges. The Bilateral Trade Agreement of December 10, 2001 heralds a process of mutually beneficial relations in the fields of economy, trade, and investment. Much time and energy was expended on both sides to achieve this result. The efforts of those involved stand as a testament to the value of reconciliation and cooperation. As such, their endeavors should be treasured and preserved.

There are, however, many issues that still need to be addressed in furthering the development of relations between our two countries. Among them is building trust—perhaps the most critical element of all. As we Vietnamese often say, loss of trust means loss of everything, but trust is based on enhancing mutual understanding, growing contacts and exchanges, and on increasing cooperation. We wish to provide you, the readers, with an understanding about our country, Vietnam.

An American is right to say “Vietnam is a country, not a war.” My country, if I may generalize, has a 4000-year history filled with ups and downs. We have overcome great challenges to survive as a nation. We have gained independence. We have experienced development.

Contemporary Vietnam entered a new period of development in the mid-1980s, when “Doi moi”—or renewal—was implemented. Our goal is clear—to maximize every internal force and resource and to make full use of external relations in order to build a strong and prosperous country, with wealthy people, and a just, democratic, and advanced society.

In accordance with Doi moi, Vietnam maintains a consistent foreign policy based on independence and self-reliance, diversification and multi-lateralization of external ties and active regional and international economic integration. Our country is willing to be a friend and reliable partner of all countries. As we continue to strive for peace, independence and development, we place great importance upon our ties with the United States and American people.

Vietnam is determined to move beyond the past and look to the future for long-term Vietnam-U.S. relations of friendship, sincere cooperation, and mutual benefit. The community of people of Vietnamese heritage in the U.S., more than a million, is one of the bridges between our two nations. Let us create conditions for development for all. This is surely in the interest of the people of our two countries.

It is our hope that this brochure will help you with first impression of Vietnam, its people, culture and renewal process, as well as our impassion for peace, friendship and cooperation.

On a personal note, I would like to invite readers to visit Vietnam—a safe destination of friendship and attractions. Most of all, I invite you to meet our people and to experience their warmth and hospitality!

Yours truly,  
Nguyen Tam Chien  
Ambassador Extraordinary and Plenipotentiary  
of the Socialist Republic of Vietnam  
to the United States of America.



# VIETNAM

## THE NEW CENTURY

**OFFICIAL NAME:** *Socialist Republic of Vietnam*

**CAPITAL:** *Hanoi*

**MAINLAND AREA:** *128,000 square miles (331,700 square kilometers)*

**MAJOR CITIES:** *Ho Chi Minh, Hai Phong, Da Nang, Hue*

**POPULATION:** *80,000,000 (Estimated 2002)*

## GEOGRAPHY AND CLIMATE

### Location and Terrain

Located just south of China, Vietnam runs along the eastern edge of the Indochinese Peninsula. More than 1,800 miles of scenic coastline face the Eastern Sea and the Pacific Ocean, while the western part of the country borders Laos and Cambodia.

This S-shaped country is only 30 miles wide at its narrow center, with broader areas in the north and south comprised of large river plains. This is the setting of Hanoi, the capital of Vietnam, situated in the north along the banks of the Red River. Throughout the centuries, inhabitants of this area have built a system of dikes—extending thousands of miles from the riverbanks—to supply water for the cultivation of rice in the Red River Delta.

Among the highlights in the south is Ho Chi Minh City, a major urban center and burgeoning commercial arena. The area is fed by the Mekong River, which deposits rich and fertile silt into the heart of Vietnam's rice-farming region. Originating in China, the river flows through Laos, Thailand, and Cambodia before reaching Vietnam. In the southern part of the country the river splits into nine tributaries, where it is called Cuu Long, the Vietnamese name for "nine dragons."

The natural beauty of Vietnam is enhanced by its diversity. Broad beaches along the eastern coast contrast dramatically with majestic mountains in the northwest and central regions. Among them is Mt. Fansipan, whose 10,309-foot summit is the highest peak on the Indochinese Peninsula. Numerous caves and grottoes add intrigue to the country's stately peaks.



World Heritage Site, Ha Long Bay



Lush rice paddy fields



Abundant tropical coastlines



Rugged northern mountains





white Lotus

The Bac Bo Gulf is home to approximately 3,000 limestone mountains, with smaller peaks that rise from the water to create an intricate network of passages in Ha Long and Bai Tu Long bays, Cat Hai, Cat Ba, and Bach Long Vi islands. In the Eastern Sea are the Hoang Sa and Truong Sa archipelagoes.

From the Hai Van Pass to the south of Hanoi, the Central Highlands of Tay Nguyen include the Truong Son Range, composed of huge blocks of granite and successive plateaus.

Seven types of land can be found in Vietnam—salted soil, alum, alluvium, mud, peat, gray, and exhausted soil—with most areas comprised of alluvium, gray soil, and alum. The soil has thick strata and high fertility, providing favorable conditions for the development of agriculture and forestry.

### Flora and Fauna

Vietnam's tropical climate, with plentiful sunshine and periods of rain, creates the ideal environment for lush vegetation. Situated at the convergence of atmospheric currents, the country receives a significant number of timber seeds from the north, west, and south—resulting in forests rich with variety. In fact, Vietnam boasts more than 800 wood species, many of which are precious due to their hardness, solidity, grains, and colors.

Animal life in Vietnam is equally abundant and diverse. Ancient tropical flora shares the country with nearly 200 species of animals, 800 types of birds, 100 different amphibians, and 150 kinds of reptiles. More than 1,000 species live in the seas and rivers, and more than 200 species dwell in fresh water.

The country's fresh waters are home to 250 different types of fish, while species in coastal areas include 1,000 fishes, 300 crabs, 40 shrimp and lobsters, and 300 oysters and sea snails. Clams, sea turtles, pearl oysters, and 300 species of seaweed can also be found. Though the Vietnamese fauna is varied and comprised of rare species, many do not exist in large numbers.

### Climate

Although situated in the tropical zone, Vietnam has varied climates that result from diverse topographic features. The northern part of the country, influenced by monsoons, has two basic seasons. Winter/spring begins in November and lasts through April, with weather characterized by cool temperatures in the 40s and 50s Fahrenheit and occasional drizzle. Summer/autumn begins in May and extends through October, marked by temperatures in the 80s and 90s Fahrenheit and a fair amount of rain.

The northwest is unaffected by northeastern monsoons, but its mountains and plateaus present a rather cold, misty climate. The northern and central coastal areas sometimes experience typhoons during late summer and early autumn.

The Central Highlands of Tay Nguyen, comprised mostly of mountains and plateaus, are windy and rainy in both seasons. But the temperature at higher altitudes averages a pleasant, spring-like 50-degrees Fahrenheit nearly all year long. This moderate tropical climate has made places like Da Lat well known as desirable resort areas.

South Vietnam boasts a tropical climate, with less variation in temperature than the north. Here, there are two primary seasons—a warm, dry season that stretches from December to April, and a warm, rainy one that lasts from May to November.



A golden sunrise at Ha Long Bay



## PEOPLE AND LANGUAGE

### Population

The 13th most populous country in the world, Vietnam is home to 80 million people. This represents an annual growth rate of 1.76 percent since 1989, and is estimated to reach 100 million by 2024. Approximately 70 percent of the population live and work in rural areas, with the balance occupying the cities. Hanoi and Ho Chi Minh City house 3 million and 5.2 million people, respectively.

	MEN	WOMEN
Average life expectancy	66	70
Overall population	49%	51%
Population over age 80	33%	67%

The smile of hospitality

Elderly people in Vietnam comprise 7.5 percent of the nation's population. Their numbers have increased dramatically—at a rate higher than that of other developing countries. There are four times more teenagers than adults over the age of 60, although this ratio is likely to drop by half over the next three decades.

According to the United Nations Population Fund, Vietnam's current average life expectancy of 67 is likely to increase to 80 by 2050. The Government has developed a strategy to improve primary healthcare services during the 2000-2010 period, maintaining a focus on increasing the average life expectancy to 71. The UN report states that although Vietnam ranks 114 in economic standards, its human development index (HDI) ranks higher at 101 among 170 countries.

### Ethnicity

A total of 54 ethnic groups—determined on the basis of language, material life, culture, and ethnic consciousness—live in Vietnam. The Viet people account for 88 percent of the population, and live primarily in the northern and southern river delta areas and along the coastal plains. Of the ethnic minorities, the largest are the Tay, Thai, Muong, Hoa, Khmer, and Nung, each with a population of about one million. The smallest are the Brau, Romam, and Odu communities, each numbering less than one thousand.

### Language

Vietnamese, the national language, is spoken throughout the country, with variations in pronunciation and dialects emerging from the northern, southern, and central regions. During the early centuries, the Viet people used the ancient Chinese script known as Han, but in the 13th century, a new system of writing called Nom was developed to



Faces of the future generation



Zao ethnic minority girl



Traditional dress of Vietnamese people in Red River delta

### Solidarity

While language and culture differ among Vietnam's ethnic groups, all people embrace the tradition of solidarity and mutual assistance. In the country's history spanning thousands of years, there have never been serious conflicts among ethnic groups. The Government has consistently implemented policies and programs to aid the development of various high-land communities while ensuring the preservation of their traditional cultural identities.

Successful programs include supplying iodized salt to remote villages, building village dispensaries, and providing tuition-free boarding schools for children of ethnic minorities. Additional programs print books and broadcast radio and television programs in ethnic languages, while others promote the study of languages and traditional cultures of every ethnic group. The multi-grade bilingual education program—which provides bilingual primary school education to ethnic children in 39 Vietnamese provinces—has won acclaim from other countries in the region. The program has reached 1.4 million students and has opened 400 training courses for 33,000 teachers in bilingual primary education. It is creating greater opportunities for ethnic students in a more diverse educational system.

record the sounds of the Vietnamese language.

When European missionaries arrived in the 17th century, they used the Roman alphabet to create a phonetic transcription, called Quoc Ngu, or national script. Further refinement, spurred by the cultural and political growth of the Vietnamese nation, led Quoc Ngu to become the official script in the early 20th century.

The Vietnamese language is monosyllabic, with an abundant, acoustic, and descriptive vocabulary and a lively, rhythmical, and emotional way of expression. The Vietnamese dictionary published by the Center of Lexicography in 1997 consists of 38,410 entries.

Traditional Ao Dai dress





## THE POLITICAL SYSTEM

On August 19, 1945, the success of Vietnam's revolution for national liberation put an end to the hundred-year domination of French colonialism. On September 2, 1945, President Ho Chi Minh read the Declaration of Independence, proclaiming the birth of the Democratic Republic of Vietnam, the first independent republic in Southeast Asia. In the Declaration of Independence of Vietnam, Ho Chi Minh quoted an immortal statement from the Declaration of Independence of the United States of America: "All men are created equal. They are endowed by their Creator with certain inalienable rights, among these are Life, Liberty, and the pursuit of Happiness."



National Emblem



National Flag

On January 6, 1946, the first universal-suffrage general election was held to elect the National Assembly—the highest representative body of the new Vietnam. Later that year, the National Assembly adopted the first Constitution, which clearly stipulates that "Vietnam is an indivisible and monolithic bloc; it is a democratic republic; the power belongs to the whole Vietnamese people irrespective of race, gender, property, social class and religion."

After the complete liberation of South Vietnam on April 30, 1975, the second universal-suffrage general election was held to reunify the country and to choose the all-Vietnam National Assembly. On July 2, 1976, Vietnam was named the Socialist Republic of Vietnam, a unified state of all nationalities living on the territory of Vietnam.

The Constitution (1992) and its amendments (2001) guarantees all citizens the fundamental rights of freedom of speech, press, assembly, demonstration, association, belief, religion and non-belief; equal rights between men and women; the right to education and healthcare; the right and duty to labor; the right to build homes; and freedom to do business.

### The National Assembly

The National Assembly is Vietnam's highest representative body and the People's Supreme Authority. This legislature is elected every five years in accordance with the principle of universal, equal, direct, and secret ballot. Its 498 members elect

a chairman and members of its Standing Committee, and meet at least twice a year, convened by the Standing Committee.

The responsibilities of the National Assembly include constitutional and legislative powers, the election or dismissal of the president and the prime minister, and decisions regarding:

- Basic domestic and foreign policies
- Socio-economic tasks
- National defense and security issues
- Major principles governing the operation of the Government
- The social relations and activities of citizens

Any Vietnamese citizen who is at least 21 years of age and possesses the requisite knowledge and ability can be elected by voters as a National Assembly Deputy. The tenure of each member is five years, and extends through two annual sessions.

The National Assembly Standing Committee remains in charge to provide continuity between the two annual sessions of the National Assembly. It has the right to oversee:

- The implementation of the Constitution
- Laws and resolutions of the National Assembly
- Activities of the Government, the Supreme Court, and the Supreme People's Office of Supervision and Control

**The President** is the Head of State, representing the Socialist Republic of Vietnam in internal and foreign affairs. He is responsible for executing the Constitution, laws, and decrees, and serves as both commander-in-chief of the people's armed forces and the chairman of the National Defense and Security Council.

**The Government** is the executive branch of the National Assembly, the highest organ of State administration of the Socialist Republic of Vietnam. It is comprised of the prime minister, deputy prime ministers, and ministers and division heads at the ministerial level. The Government is accountable to the National Assembly, and also reports to the National Assembly Standing Committee and the president.

**The Prime Minister** is nominated by the president, elected or dismissed by the National Assembly, and serves a term of five years. He oversees the running of the Government. Members of the Cabinet are nominated by the Prime Minister and ratified by the National Assembly.

**People's Councils** are elected by localities at different levels—province, town, city, district, and ward. They elect People's Committees to serve as the executive bodies of local administration.

**The People's Court and the People's Office of Supervision and Control** operate at provincial and district levels.

In recent years, Vietnam has taken steps to reform the legal system and enhance the efficiency of the administrative apparatus. To this end, a series of fundamental laws have been passed, including:

- Penal Codes
- Civil Codes
- Law on the Organization of the Government
- Law on the Election of the National Assembly and the People's Councils at different levels
- Law on Trade Unions

The legal system has been improved to ensure the right to freedom and development for every Vietnamese citizen.

## The Communist Party

Article 4 of the Constitution stipulates the leading role of Vietnam's Communist Party, which was founded on February 3, 1930 amid the struggle for national liberation from French colonialism. In 1945, the Communist Party led the people in the August Revolution and established the Democratic Republic of Vietnam. In 1986, the Communist Party initiated and led the renovation process of Doi Moi in Vietnam. All Party organizations operate within the framework of the Constitution and the law.



The Presidential Palace

**The National Congress** of the Communist Party convenes every five years to outline an overall direction and to formalize policies for the future. It is responsible for electing its Central Committee, which, in turn, elects the Political Bureau.

**The General Secretary**, who is appointed by the Political Bureau, serves as the head of the Communist Party.

## The Mass Organizations

The Vietnam's Fatherland Front and its member organizations constitute the political base of people's power, and are responsible for:

- Promoting the tradition of national unity
- Intensifying the people's political and spiritual consensus
- Taking part in forming and consolidating people's power
- Working with the state to safe guard the legitimate interests of the people

The Trade Union, serving as the socio-political organization of the working class and laborers, protects the rights of workers in all sectors of society.

Additional social organizations include the Women's Union, the Youth Union, the War Veteran's Association, and other professional associations.

## ECONOMY

### Economic Reform

Vietnam's renovation policy, Doi Moi, extends to the improvement of economic conditions. In 1986, the Government made some of the most important and comprehensive macro-economic reforms in its modern history:

- The shift from a centrally planned economy to a multi-sector market economy with socialist orientation under state management
- Creation of favorable conditions for business activities to ensure domestic and foreign investments
- The development and diversification of international economic relations.

A legal framework for the market economy has been developed step by step. The Vietnamese Government encourages the development of all economic sectors that are allowed to do business and compete according to the law. Enterprise Law, effected since 2001, ensures business activities of private enterprises. The Government also seeks to make state-owned enterprises more efficient through the equitization process. The first stock market was set up in Ho Chi Minh City in 2000 to attract more capital for enterprises. Revisions of 1992 Constitution, approved in Dec. 2001 reaffirmed Vietnam's consistent policy of a market economy with socialist orientation

based on state, cooperative, and private ownership.

Since its inception, the policy of Doi Moi has generated significant results. Vietnam's gross domestic product (GDP) has increased twofold over the past decade. The inflation rate, which rocketed to 700 percent in the 1980s, plummeted to 1 percent in 2001. Economic growth averaged 8 percent from 1991 to 1995. In the period from 1996 to 2002, despite the impact of a regional financial crisis, GDP growth was sustained at an average of 7.2 percent. Performance rallied impressively in 2000 and 2001.

Once a country in the throes of a chronic food shortage, Vietnam has become the world's second largest exporter of rice, dispatching a record 4.5 million tons in 1999 and 3.5 million tons in 2001. Additional export commodities include garments and textiles, handicrafts, coffee and tea, electrical



The new My Thuan Bridge



Offshore oil rig—one of Vietnam's new resources



appliances, rubber, aquaculture products, and oil. In fact, the country began exporting crude oil in April of 1987, and shipped the 100 millionth ton just four years later.

The country's total volume of exports reached US \$16.5 billion in 2000, with imports at US \$15.2 billion. Vietnam has an export turnover share of 50 percent GDP per year, plus trade relations with 176 countries and territories.

**Capital Resources**

Vietnam has experienced a positive flow of investment capital through foreign direct investment (FDI) and official development aid (ODA). Since the implementation of the Foreign Investment Law in 1987, the country has attracted more than 3,166 valid FDI projects, totaling US \$38 billion.

**FDI plays an increasingly important role in Vietnam's economy, creating:**

- More than 400,000 full-time jobs
- One million part-time jobs

**It also contributes:**

- More than 13 percent of the GDP
- Nearly 35 percent of the total industrial production
- 23 percent of the country's export value

Between 1993 and 2002, foreign donors committed US\$20 billion. In addition to benefiting institutional capacity building, these funds have supported production and processing, the development of an infrastructure, poverty reduction, and the development of education and health-care services in Vietnam. Both FDI and ODA are critical capital resources for Vietnam, comprising 35-40 percent of the total national capital investment.

Eventually, a common code will be introduced for both domestic- and foreign-invested enterprises. Obstacles are being removed to ensure that the investment environment in Vietnam is in accord with international practice.

**Economic Structure**

The country's economic structure has been changing vigorously to increase the proportion of industry and services. In the 11-year period from 1990 to 2001, the share of agriculture in the GDP dropped from 38.7 percent to 25.0 percent, that of industry rose from 22.7 percent to 33.0 percent and the service sector increased from 38.6 percent to 42.0 percent.

Several industrial centers have been set up throughout the country to help reduce unemployment in the cities and underemployment in rural areas. Annually, 1.2 to 1.4 million new jobs have been created, and the proportion of poor households has dropped from more than 30 percent to 16 percent.



Expanded use of machinery in rice farming

Economic progress has combined with social policies, enabling the achievements of the economy to extend throughout the country—providing education, employment, healthcare, and welfare to all segments of the population. This has significantly raised the quality of life in Vietnam, and has also positioned it as an increasingly important consumer market.

**Confidence in the Future**

Vietnam has entered the new millennium with a strong sense of pride and confidence—the result of decades of relentless effort by people from all economic sectors. Equally responsible is an improved performance by the Government, which had led to:

- The creation of favorable conditions for all economic sectors
- The blending of internal strengths with active international integration
- The increased support of export-oriented sectors

Between 2000 and 2002, more than 35,000 private enterprises have been established and some of them employing several thousand people and with a combined investment of over \$ 4.00 billion. Their production and business operations have made remarkable contributions to the country's economic growth.



Increased commercial fishing industry



Advancements in agricultural commodities

**Future Visions**

Vietnam's 2001-2010 strategy includes a goal to double the year-2000 year GDP as follows:

<b>Agriculture</b>	<b>11-12%</b>
<b>Industry</b>	<b>42-43%</b>
<b>Services</b>	<b>44-45%</b>

Agricultural labor is expected to drop to 50 percent of the workforce. Other goals are to substantially raise the Human Development Index, eliminate hunger, and reduce the number of poor households. All economic achievements will lay foundations for making Vietnam a modernized, industrialized country by 2020, improving the material, cultural, and spiritual life of all Vietnamese people.



# EDUCATION

## School Structure

In Vietnam, education is a priority state policy—a fact demonstrated by the country's rise from a 95 percent illiteracy rate in 1945 to a 94 percent literacy rate in 2001. Although still a poor country with low per-capita income, Vietnam has made great strides in education. As a result of this focus, many Vietnamese students have been awarded top prizes at international competitions.

Since 1993, the structure of education and academic degrees has been standardized as follows:

- 5-year primary school
- 4-year junior secondary school
- 3-year senior secondary school
- Three levels of university degrees—bachelor's, master's, and doctorate

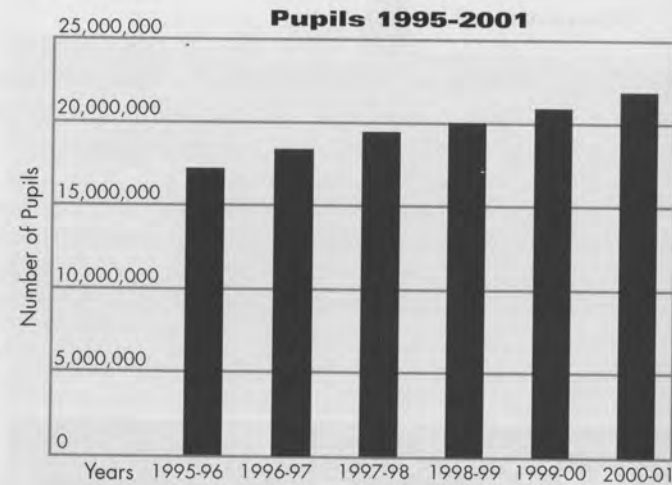
The country is home to 24,000 primary and secondary schools, 131 universities and colleges, and 344 boarding schools for minorities. Nationwide, there are approximately 615,000 teachers and 30,300 professors. During the school year 2000-2001, 22 million students were enrolled throughout the country:

- 2.5 million in pre-schools
- 10.2 million in primary schools
- 6.1 million in junior secondary schools
- 2.2 million in senior secondary schools
- 950,000 in colleges and universities

## Recent Accomplishments

In addition to public schools, several new types of education have been introduced in accordance with the economic and social changes resulting from Doi Moi. These include:

- Full- and part-time programs
- Long- and short-term courses
- Regular classes and classes for those with learning disabilities
- Training, retraining, and distance-learning classes
- Semi-public, community, private, and international schools



Increased use of computer technology in education



The Government places particular emphasis on the development of education in remote and mountainous areas, and has built primary and secondary boarding schools for minority students.

To strengthen our system of education, the National Assembly adopted the Education Law in April of 1997. The purpose of this law is to:

- Restructure the National Education System and the National Certificates System
- Gradually increase the budget for education
- Mobilize resources from the people
- Attract international aid and loans for educational development

The Law on Primary Education Proliferation enabled Vietnam to reach a target of universal primary education in July, 2000. In major centers such as Hanoi and Ho Chi Minh City, universal junior secondary school education has also been accomplished.

Teaching foreign languages, informatics, and vocational skills to young workers has become a top priority in the educational system. Besides producing trained, qualified, and skilled workers, the system has produced world-renowned scientists.

The state budget assigned for education has been increased considerably since the beginning of the millennium, and encompasses approximately 10 percent of the total budget.

## Foreign Exchange Students

Vietnam views educational exchanges with foreign countries as a valuable opportunity for expanded access to academic, science, and technology centers. Approximately 20,000 undergraduate and graduate students have received education from abroad since 1990. The country has sought to attract experts in the education field—particularly in the areas of business management, science, and technology.

Some international schools operate in Vietnam. The Government receives assistance from foreign countries and organizations to help attract exchange students to the country, and has recently issued a licence to the first international university in Ho Chi Minh City.



Outdoor activities at an ethnic minority school



Arts and Humanities are popular studies

## HEALTHCARE

### Re-Building After the War

Following reunification of the country in 1975, Vietnamese public health faced countless difficulties. Nearly all hospitals and medical units had been destroyed, and epidemics were rampant. Mobilizing the force of its people—and assisted by humanitarian organizations such as the World Health Organization (WHO)—the Government and the Ministry of Health constructed:

- A 50- to 100-bed health center in each district
- One or more 300- to 500-bed hospitals in each province
- One health station in each commune
- Thousands of private medical facilities all over the country

In addition, medical and pharmaceutical colleges, as well as training centers for medical workers, have been consolidated and expanded.

Specifically encouraged have been practices such as traditional Oriental medicine, acupuncture and acupressure, and exercise as both a preventive and therapeutic measure. The state and private sectors have run broad-based campaigns to educate the population on family planning, HIV/AIDS, and the dangers of drug addiction.

### Healthcare Improvements

The national health program now oversees improvements in healthcare and the prevention of epidemics and disease. The Health Ministry is carrying out a nationwide campaign to promote the use of iodized salt, make vitamin A available to all children, and encourage a vaccination program against six diseases. The



Advances in medicine and healthcare

program of expanded immunization, implemented since 1986, has decreased the incidence of disease among Vietnam's children.

The state attaches great importance to primary healthcare for the community. The Government is focused on:

- Increasing the number of beneficiaries of free medical coverage for poor households and those in mountainous areas
- Enhancing malaria control
- Extending aid to purchase medical insurance for poor families and war invalids

In addition to compulsory insurance, the Ministry of Health has introduced charitable and voluntary insurance, as well as a nationwide medical insurance system. The National Assembly has passed laws on private medical practice to generate a comprehensive healthcare system for the people of Vietnam. More and more licenses are being issued to private consulting and medical cooperatives.

Vietnam receives significant assistance from several governments and organizations, including UN agencies, non-government organizations (NGOs), and philanthropists. Since 1991, international aid, averaging US\$20 million per year, has been raised for:

- Medicine and medical equipment
- A program of expanded immunizations
- A mother-and-child healthcare system
- Family planning
- HIV/AIDS preventive measures

### Looking to the Future

Vietnam's healthcare system has undergone great changes over the past few decades. The system now boasts a health index higher than those of other developing nations with the same per-capita GDP. The average lifespan has risen from 38 years in 1945 to about 67 in 2002. The national network of medical stations has expanded to nearly all rural communes, a dramatic improvement over the fact that there were just a few hospitals in major cities before 1945.

#### Other achievements in healthcare include:

- A sharp decrease in infant mortality—from 50 percent before 1945 to 36.7 per thousand in 1999
- A surge in the number of medical wards served by nurses—from 10 percent in 1985 to more than 83 percent in 1999
- A rise in the number of medical doctors for every 10,000 citizens—from 3.1 in 1985 to 5.1 in 1999

What's more, approximately 40 percent of communal infirmaries are currently staffed by doctors.

With the assistance of modern equipment, Vietnamese doctors are now able to conduct complex operations such as liver and kidney transplants; in-vitro fertilization, which has helped bring more than 100 babies into the world; open-heart surgery; and the separation of conjoined twins.





Professional cast of a Water Puppet performance

## CULTURE



Lacquer painting, "Bouquet" by artist Nhat Tran  
acquired by Smithsonian Art Museum

Natural, social, and historical conditions have exerted great influence on Vietnamese culture. The need to wage wars of resistance against foreign invaders created a strong sense of patriotism that has infiltrated every aspect of life and every form of art. But these wars also rendered a high level of destruction that adversely impacted the country's material heritage, virtually depleting it of any grandiose artistic contributions.

After gaining back its independence in 1945, Vietnam turned its attention to preserving the essence of its culture and enhancing national identity. In addition, cultural exchanges with other nations were promoted to enrich the cultural life of the Vietnamese people.

### Visual Arts

In Vietnam, the art of sculpting stone, copper, and baked clay dates back to 10,000 BC. By the 15th century, enameled ceramics blossomed in popularity, and lacquerware began to appear in the form of decorative objects and furniture. These folk arts soon gave way to other creative disciplines, such as:

- Woodblock prints
- Wooden sculptures
- Embroidery and weaving
- Jewelry-making
- Silk paintings
- Laquer painting
- Oil painting
- Watercolors
- Wickerwork

### Architecture

A total of 2014 cultural and historical relics have been recognized by the Vietnamese state. Additional relics—including the Old Capital of Hue, the Ha Long Bay, and Hoi An, My Son—have gained international recognition by UNESCO as world heritage sites. The remaining ancient architectures are mostly pagodas and temples of the Ly-Tran dynasties, palaces and steles of the Le dynasty, the 18th century's community houses, citadels and tombs of the Nguyen dynasty, and the Cham towers.



Cham temple relics

## Music

Toward the end of the 10th century, following nearly 1,000 years of Chinese cultural dominance, Vietnamese rulers still looked to the Chinese for direction in the arts of the court. The music of the time possessed a profound feeling of national dignity, and reached a high point in the 15th century.

Popular traditional music is much more prolific and representative than that of the court. Traditional Vietnamese songs are not recorded in a written form, but are transmitted orally from generation to generation.

Vietnamese instruments are varied, and extend to approximately 50 varieties. Percussion instruments—such as trong dong (copper drums) and cong chieng (gongs)—are the most popular and diverse. Additional instruments include dan bau (monocord), string instruments, drums, dan torung (bamboo tube), dan da (lithophone).

European music and instruments were introduced to Vietnam in the early 20th century. Today, Vietnam has a network of conservatories, music schools, and a symphony orchestra. Modern dance, as well as contemporary music and songs, are also popular among Vietnamese audiences.

## Theater

Vietnamese theatre includes traditional genres of folk theatre—such as the cheo and the tuong—and more modern forms—such as ca hue and cai luong. This type of “reformed theatre” integrates music, singing, recitation, declamation, dance, and mime.

A unique form of indigenous Vietnamese theatre art is water puppetry, or mua roi nuoc. Performed in shallow water, these short plays take place at the edge of a pond or lake, where the puppets are manipulated by bamboo rods.

## Literature

Written literature was born in Vietnam in the 10th century, and was comprised of two types:

- Works written in the Han characters of China—featuring poems and prose that demonstrate the Vietnamese soul and realities, and were therefore regarded as Vietnamese literature
- Works written in the Nom characters—primarily poems, many of which were handed down from generation to generation



The Temple of Literature



A traditional water puppets performance

Since the 1920s, written literature has been composed in the national language. It paved the way for the birth of modern literature, and was influenced by current events and new ideas that penetrated Vietnamese society. Many new forms have developed, such as poetry, novels, contemporary poetry, short stories, and dramas.

After the regaining of independence in 1945, conditions were ripe for a true “renaissance” of Vietnamese culture, in general, and literature, in particular.

Today, there are many new books by many new authors, offering a diversity of styles and themes. To help promote the country’s literature, the Vietnam Writers’ Association has instituted prizes that are awarded annually for the best novels, short stories, plays, poems, and critical works.

## Customs and Festivals

Vietnamese customs—whether demonstrated at weddings, funerals, holidays, or rituals—are all attached to family and community. These customs are deeply rooted in water rice growing culture. Marriage not only reflects the lovers’ wishes, but also the approval of their families. A funeral service offers a means to express grief, to see the deceased off into another world, and to provide the family with support from neighbors and friends.



Traditional weaving pattern of minority people

**Vietnam is a country of many festivities. The most important festivals are:**

- Tet Nguyen Dan, Lunar New Year
- Mid-First Lunar Month
- Mid-Autumn Festival
- Ong Tao, the god of the kitchen

**Each region has its own festivals, with emphasis on:**

- Agricultural rituals, such as praying for rain and new rice
- Rituals of certain occupations, such as copper casting, forging, making firecrackers, and boat racing
- Rituals dedicated to national heroes
- Religious and cultural services, such as Buddhist rituals

**Festivals are usually divided into two parts:**

- The service, which is carried out for blessings and thanksgivings
- The cultural activities of the community, which consist of folk games and parades



A traditional drum festival



## Religion and Spiritual Beliefs



Quan Su Pagoda—one of the most revered pagodas in Hanoi

Vietnam is home to a diversity of religions and integrated spiritual beliefs, such as animism (the attribution of a soul to plants, inanimate objects, and natural phenomena) and theism (belief in God). Among these beliefs, the worship of ancestors is the most popular. In many Vietnamese households there is an altar for ancestral worship, where gratitude can be expressed for good deeds and ethics handed down to offspring.

As a multi-religious state, Vietnam practices tolerance and open-mindedness. The number of newly built or renovated churches, pagodas, temples, and other houses of worship is on the rise, with approximately 30,000 sites of organized religion.

Buddhism, Vietnam's most popular religion, was introduced in the 2nd century AD by the Mahayana (Dai thua) sect via China and by the Hinayana (Tieu thua) sect via Thailand, Cambodia, and Laos. It reached its peak in the Ly Dynasty during the 11th century, and was regarded at the time as the state religion. Approximately 14,000 Buddhist pagodas stand in tribute to the religion's profound influence on daily life.

Catholicism is the second most popular religion, and was introduced by Spanish, Portuguese, and French missionaries in the early 17th century. Today, there are 6,000 Catholic churches in Vietnam.

Protestantism arrived in 1911 and expanded in 1920. 500 Protestant churches can be found throughout the country.



Islam was brought into Vietnam long ago. Followers of Islam are primarily from the Cham group, which lives in the southern coastal provinces and western Mekong Delta. Nearly 100 Islamic mosques exist in Vietnam.

Additional religions are manifest in the 6,000 temples of Cao Dai and the 200 temples of Hoa Hao, with holy lands in Tay Ninh and An Giang provinces.

Tens of thousands of temples, communal halls, shrines, and altars represent a host of religious beliefs. According to a recent survey, Vietnam has 50,000 religious officiates and more than 20 million followers, accounting for 30 percent of the population.

Of these:

- 11 million are Buddhist
- 6 million are Catholic
- 400,000 are Protestant
- 2 million are Cao Dai
- 1 million are Hoa Hao
- 60,000 are Islamic

Monasteries, religious schools, and training facilities for officiates and clergy are on the rise in Vietnam. Increasing numbers of priests and monks travel abroad as part of exchange and training programs.

Various religions coexist peacefully in Vietnam. The Government regards religious belief as a spiritual need, and has consistently followed a policy of respecting and ensuring the freedom of both religion and non-religion. In Vietnam, nobody is persecuted because of his/her religious belief.



The Notre Dame Cathedral in Ho Chi Minh City



## 6<sup>th</sup> ASEAN SUMMIT Hanoi, 15-16 December 1998



The 6th ASEAN Summit in Hanoi

Embassy of Vietnam • Washington D.C.

## Diplomacy

The August Revolution and the foundation of the Democratic Republic of Vietnam in 1945 were the country's most significant historical events of the 20th century. The latter also gave birth to Vietnamese diplomacy, which has made great contributions to:

- The cause of national liberation and reunification
- Defense of the country's freedom, sovereignty, and independence
- Peace, stability, and cooperation among countries in the region and around the world
- Respect for justice and international law

Today, diplomacy has the added goal of creating a favorable international environment for national construction and proactive integration into the world community.

Diplomacy has made a contribution toward breaking isolation, maintaining favorable conditions for socio-economic development, and enhancing Vietnam's status in the world arena. Soon after reunification, Vietnam joined the Non-Aligned Movement (NAM) in 1976 and the United Nations in 1977.

Since 1991, the country has increasingly strengthened its diplomatic relations with other countries in a quest for further integration. Vietnam signed the Bali Treaty of the Association of Southeast Asian Nations (ASEAN) in 1992, and became a full member on July 28, 1995. It joined Asia-Pacific Economic Cooperation (APEC) in November, 1998.

Today, Vietnam has established diplomatic relations with nearly 170 countries, including all major world powers. It carries on trade relations with 165 countries and territories, has signed trade agreements with 76 countries, and holds Most Favored Nation (MFN) status with 72 countries and territories.



General Secretary Nong Duc Manh  
at Diplomat Conference in Hanoi,  
Dec. 2001



President Tran Duc Luong and President Bill Clinton during the official  
visit to Vietnam, November, 2000

Throughout the renovation process, Vietnam has consistently implemented the foreign policies of independence, sovereignty, openness, multi-lateralization, and diversification of international relations. The country is prepared to be a friend and reliable partner to all countries in the international community—striving for peace, independence, and development.

Vietnam also maintains a focus on improving relations with international and regional organizations, such as the United Nations, the European Union, ASEAN, APEC, and Asia-Europe Meeting (ASEM). It makes positive contributions to the activities of these groups in accordance with the country's strengths and interests. At present, Vietnam is a member of UN ECOSO and the UN Human Rights Committee, and is seeking membership in the World Trade Organization (WTO).



## VIETNAM - U.S. RELATIONS

Vietnam attaches great importance to the development of friendship and cooperation with the United States. Improvements in relations between the two countries have served the interests of both nations, and have contributed to peace and cooperation in Asia.

In 1987, the two governments approached an agreement on bilateral humanitarian assistance, and, in 1991, started official negotiations on the normalization of relations. The United States embargo against Vietnam was lifted in February, 1994, and the countries established diplomatic relations on July 12, 1995. They first exchanged ambassadors in May of 1997, thus opening a new chapter in their relationship and serving peace, stability, and prosperity in Southeast Asia and the entire Asia-Pacific region.

Since then, the two countries have had numerous exchanges in many fields, marked by visits both official and unofficial. For the first time, Defense Secretary William S. Cohen paid a visit to Vietnam in March, 2000, and President Bill Clinton visited from November 16th to 19th of that same year. And Permanent Deputy Prime Minister Nguyen Tan Dung, along with more than 60 business leaders, paid a visit to the United States from December 10th to 14th, 2001.

Vietnam is committed to building a new, cooperative relationship with the United States on the basis of mutual respect for independence, sovereignty, equality, and non-interference in each other's internal affairs. Following a guideline to resolve differences through dialogue, enhanced mutual understanding, friendship, and cooperation, the two sides have established talks on issues of concern to the governments of both countries, including politics, commerce, and drug trafficking.

Vietnam continues to work with the United States on the humanitarian issues that are the aftermath of the war, such as MIAs, the consequences of Agent Orange, de-mining, and clearing land of unexploded ordinance. To date, the two sides have conducted 68 joint task forces, and Vietnam has found and returned to the U.S. more than 793 sets of remains and thousands of page of documents relating to Americans missing in action.

Among these post-war issues, the lingering consequence of Agent Orange is of significant concern. Vietnam and the United States have agreed to conduct joint scientific research, and a cooperative conference on its health and environmental effects. In light of the fact that millions of Vietnamese people were affected by Agent Orange—and tens of thousands of birth defects have occurred among their children—Vietnam expects more assistance from the United States in dealing with this consequence, which is also a demand of conscience.

Economic and trade ties between the two countries have steadily improved. Vietnam and the United States have signed agreements on settling and restructuring old debts, on copyright, and on operations of OPIC. They have also forged two agreements with EXIMBANK on frame guarantees and promoting U.S. investment projects in Vietnam.



Prime Minister Phan Van Khai and President George Bush shake hands at APEC Summit 2001



Minister of Foreign Affairs, Nguyen Dy Nien and U.S. Secretary of State, Colin Powell in Hanoi, July, 2001

The significant milestone that marks the full normalization between the two countries is the ratification of the Bilateral Trade Agreement. In effect as of December 10, 2001, this agreement establishes a legal base for stimulating economy, trade, and investment between the two countries.

Vietnam is the sixth trade partner of the United States in Southeast Asia. Trade between the two countries increased from US\$220 million in 1994—the year the embargo was lifted—to US\$1.06 billion in 2000 and US\$1.4 billion in 2001. U.S. companies number among Vietnam's 10 largest trade and investment partners, with 118 projects totaling US\$1.4 billion. They span various areas, including oil and gas exploration, manufacturing, construction, computers, consumer goods, banking, insurance services, and air travel.

Vietnamese agriculture and aquaculture products—such as coffee, shrimp, and fish—and footwear are available in the U.S. marketplace. The Bilateral Trade Agreement ushers in the optimistic prospect that new trade and business opportunities will bring fruitful results, further strengthening improved relations between the two countries.

Exchanges in science and technology have also increased, with agreements of cooperation in these fields. The United States National Weather Service signed a Memorandum of Understanding to exchange information and to provide support with Hydrometeorological Service of Vietnam for the early warning of natural disasters. In the arena of education, approximately 5000 students and scholars of the two countries are studying in Vietnam and the U.S., and this number is expected to grow.

Since the establishment of bilateral relations, residents of both countries have expanded their visits. Many American tourists travel to Vietnam each year, and enjoy easy access via U.S. airlines.

After the end of the American War, several international non-governmental organizations (NGOs) began working with the Vietnamese government to institute humanitarian projects focused on education, health and welfare, and community development.

One such organization, the Vietnam Veterans Memorial Fund, has greatly contributed to humanitarian efforts in Vietnam. Its various programs include a replicable mine-action initiative designed to assist the people of Quang Tri Province. This program has been designed to alleviate the problem of landmines and unexploded ordinance.

In addition, the Memorial Fund is building community libraries in Vietnam, and has dedicated the first one in Quang Tri Town. The facility is fully equipped with computers. The Memorial Fund is also building a second library for the minority people of Dak Rong District, near Khe Sanh.

In spite of their tragic past, Vietnam and the U.S. have forged a strong relationship. Further development of multi-faceted ties will serve to strengthen the mutual understanding and friendship between the people of our two countries.

Children at one of the new libraries



Members of VVMF at a mine-action initiative meeting

## The Embassy of Vietnam in the U.S.

The Embassy of Vietnam, located in Washington, DC, serves as Vietnam's official presence in the United States. The Embassy represents Vietnam's political, economic, trade, and military relations in the U.S.; coordinates science, education, cooperation, and cultural exchanges; issues visas; and provides assistance to Vietnamese nationals in the United States.

1233 20th Street, NW – Suite 400  
Washington, DC 20036  
Phone: 202.861.0737  
Fax: 202.861.0917 and 202.861.1297  
E-mail: vietnamembassy@msn.com  
Web site: www.vietnamembassy-usa.org

DEPARTMENT	TELEPHONE
<b>Ambassador's Office</b>	202.861.0737
<b>Deputy Chief of Mission's Office</b>	202.861.0737
<b>Political Affairs</b>	202.861.0737
	x. 230 and 244
<b>Economic Affairs</b>	202.861.0737
	x. 231 and 232
<b>Press, Culture &amp; Public Relations</b>	202.861.2291
<b>Science, Education &amp; Culture</b>	202.861.0737
	x. 227
<b>Congressional Affairs</b>	202.861.0737
	x. 225
<b>Non-Governmental Organizations</b>	202.861.0737
	x. 224
<b>Administrative Office</b>	202.861.0737
	x. 235
<b>Consular Affairs</b>	202.861.2293 or
	202.861.0694
<b>Overseas Vietnamese Affairs</b>	202.861.2293 or
	202.861.0694

### THE U.S. EMBASSY IN VIETNAM

**Main Office:**  
7 Lang Ha Road  
Ba Dinh District, Hanoi  
Phone: 84.4.843.1500  
Fax: 84.4.843.1510  
Email: irchano@pd.state.gov  
Website:  
usembassy.state.gov/posts/vn1/wwwhome.html

**Trade Attaché Office:**  
1730 M Street, NW – Suite 501  
Washington, DC 20036  
Phone: 202.463.9425  
Fax: 202.463.9439

**Defense Attaché Office:**  
1233 20th Street, NW – Suite 201  
Washington, DC 20036  
Phone: 202.293.1842  
Fax: 202.293.1822

**The permanent Mission of Vietnam to the United Nations:**  
866 United Nations Plaza – Suite 435  
New York, NY 10017  
Phone: 212.644.0594  
Fax: 212.644.5732  
Email: vietnamun@aol.com  
Website: www.un.int/vietnam/

**Consulate General of Vietnam:**  
1700 California Street – Suite 430  
San Francisco, CA 94109  
Phone: 415.922.1577  
Fax: 415.922.1848  
Email: info@vietnamconsulate-sf.org  
Website: www.vietnamconsulate-sf.org

**The US Consulate General in Ho Chi Minh City:**  
4 Le Duan Boulevard  
District 1, Ho Chi Minh City  
Phone: 84.8.822.9433  
Fax: 84.8.824.5571  
Email: uscongenhcmc@pd.state.gov  
Website:  
usembassy.state.gov/posts/vn2/wwwhome.html

## Guidelines for Foreign Investment in Vietnam

Provisions for foreign investment activities in Vietnam are stipulated in the Law on Foreign Investment—amended on June 9, 2001—and its implementation documents. These include Government Decree 24/2000/ND-CP, dated July 31, 2000; Ministry Planning and Investment Circular 12/2000/TT-BKH, dated September 15, 2000; and Government decrees on industrial zones, processing zones, and high-technology zones.

**To establish a foreign investment project, investors must contact:**

- Ministry of Planning and Investment (MPI)
- Provincial People's Committee of the region where the project is located
- Board of Management of industrial zones, export-processing zones, or high-technology zones where the project is located
- Vietnamese partners, if applicable

**Depending on the nature, scope, and location of the proposal, four authority levels are responsible for decision-making on each project:**

- The Prime Minister
- Ministry of Planning and Investment
- Provincial People's Committees
- Board of Management of industrial zones, export-processing zones, and high-technology zones

**Three levels of authority are required for the issuance of investment licenses:**

- Ministry of Planning and Investment
- Provincial People's Committees

- Board of Management of industrial zones, export-processing zones, and high-technology zones

**The Government of Vietnam reserves the right to:**

- Stipulate the regions in which investment is encouraged
- Issue a list of encouraged investment projects
- Indicate the sectors in which licensing is conditional and those in which it will not be granted

**Foreign investments will be accepted in Vietnam in the following forms:**

- Business cooperation contract
- Joint venture enterprise
- Enterprise with 100 percent foreign-owned capital
- Build-Operate-Transfer contract (BOT)
- Build-Transfer-Operate contract (BTO)
- Build-Transfer contract (BT)

Forms for foreign-investment projects and investment licenses are issued by the Ministry of Planning and Investment.

### TURNAROUND TIMES FOR INVESTMENT LICENSES

- Projects under decision by the Prime Minister: within 45 days from the day of receipt of a proper file
- Projects under decision by the Ministry of Planning and Investment: within 30 days from the day of receipt of a proper file.
- Projects under decision by the Provincial People's Committee: within 30 days from the day of receipt of a proper file
- Projects under decision by Board of Management of industrial zones, export-processing zones, high-technology zones: within 15 days from the day of receipt of a proper file



## APPLICABLE TAXES

Foreign investors are tax exempt on the import of machinery, equipment, and production tools, since these are regarded as permanent assets and materials. The following taxes do apply:

- Corporate income tax
- Import-export tax
- Value added tax
- Personal tax
- Additional taxes regulated by the Vietnamese Government

However, foreign investors enjoy preferential rates on:

- Corporate taxes (exempt or reduced)
- Selling and buying foreign currencies for doing business according to regulations of the State Bank of Vietnam
- Leasing land
- Hiring labor
- Transferring technology

Chapter IV of the Bilateral Trade Agreement between Vietnam and the U.S. has specific provisions for U.S. investment in Vietnam. Vietnam continues a series of commitments that will simplify investing, reduce paperwork, and, in almost all cases, ensure national treatment for foreign investors. These commitments include protection against expropriation of the foreign investments in Vietnam and in the U.S., and rights to repatriate profits and conduct other financial transfers on a national treatment basis.

In an effort to encourage foreign investment in Vietnam, there is a strong dedication to:

- Phasing out measures such as local-content requirements and export-performance requirements within five years or by the date required

- under the terms and conditions of Vietnam's accession to the WTO, whichever occurs first
- Ending almost all investment screening and double pricing
- Reducing Government controls and screening requirements for joint ventures
- Maximizing flexibility in the terms of investment forms

## Guidelines for Trading with Vietnam

### Legal Sources Governing Foreign Trade Activities

#### NATIONAL LAWS

The most specific of these is the Trade Law, adopted in May, 1997 by the National Assembly of Vietnam. To guide the implementation of the law, the government issued:

- Decree No 57, dated July 31, 1998, regulating export and import activities, processing for trade, and sale and purchase agencies
  - Decree No 45, dated September 6, 2000, regulating the establishment and operation of representative offices and branches of foreign companies in Vietnam
  - Other relevant laws such as the Civil Code and the Ordinance on Economic Contracts
- As a result of this legislation, the following regulations and practices have gone into effect:
- The right to handle export and import business has been expanded to all business entities in all economic sectors.
  - Vietnamese companies, including private firms, have the intrinsic right to export and import within the scope of registered business lines.
  - In addition to representative offices, foreign companies can now set up branches in Vietnam to undertake certain profit-making trading activities.
  - Vietnamese businesses, including private firms,



The Bilateral Trade Agreement Forum 2001

- are allowed to act as sale and/or purchase agents in Vietnam for foreign firms and individuals.
- The law respects freedom in business—including the freedom to select partners; to decide on contract form and/or content; and to amend, supplement, or terminate a contract.

### INTERNATIONAL TREATIES, BILATERAL AGREEMENTS, AND INTERNATIONAL COMMERCIAL PRACTICES

Vietnamese Trade Law allows the precedence of the provisions of international treaties to which Vietnam is a signatory. It also permits contracting parties to apply foreign laws and/or international commercial practices if they are not inconsistent with Vietnamese laws, or where an international treaty to which Vietnam is a signatory provides for the application of such foreign laws.

The Bilateral Trade Agreement between Vietnam and the United States, entered into effect on December 10, 2001, is a comprehensive legal basis for business people of the two countries. For more information, visit the following Web sites:

<http://www.mot.gov.vn>  
<http://ustr.gov/regions/asia-pacific/text.html>

Incoterms, published by the International Chamber of Commerce, are frequently applied in foreign trade contracts to which Vietnamese companies are parties. Because there are various versions of Incoterms, the year of their publication should be mentioned in contracts, if applicable.

## Export and Import

### EXPORT

At present, the Government of Vietnam particularly encourages the production and exportation of labor-intensive products, including agricultural produce, seafood, textiles and garments, leather goods and footwear, and handicrafts. Most of the country's export goods now enjoy a tax rate of 0 percent. Currently, only 12 export products are subject to tax ranging up to 5 percent.

### IMPORT

Vietnam gives priority to the importation of materials and equipment, as well as high technology and advanced production processes, required for industrialization and modernization. Consumer goods, especially luxury items and materials that can be supplied locally, are normally subject to high import duties. Capital goods and materials, particularly those are not yet being produced in Vietnam, enjoy lower or even zero rates.

Materials and supplies imported for production of exports and goods in transit through Vietnam are exempt from import duty. Goods for use in scientific research or study and humanitarian goods may also be imported tax-free.

In general, import tax has been substantially reduced, and this trend is expected to continue. Approximately 52 percent of tariff lines are now between 0 and 5 percent. Additional preferential taxes and/or tax reduction or exemption may be granted to companies producing exports and/or export goods.



Fine Vietnamese ceramics are highly regarded

According to the commitments between Vietnam and ASEAN (AFTA), most import tariff by the year 2006 will be reduced to between 0 and 5 percent. According to the Bilateral Trade Agreement between Vietnam and the United States, gradual phase-outs of import tariffs will be made on specific goods.

## Establishment of Foreign Companies in Vietnam

### BRANCHES

Branches are defined as legal foreign entities that are allowed to undertake certain trading and tourism activities in Vietnam. The Ministry of Trade is responsible for the issuance, amendment, and withdrawal of licenses for branches operating in trade.

### Foreign company branches operating in trading activities may engage in the following business lines:

- Exporting goods produced in Vietnam, such as handicrafts, unprocessed and processed agricultural produce (except rice and coffee), and consumer goods
- Importing for distribution in Vietnam certain goods that include equipment and machinery used for mining and processing of agricultural and fishery products, materials for production of medicine for both people and animals, and materials for production of fertilizers and insecticides

### REPRESENTATIVE OFFICES

Each company is permitted to set up one or more representative offices. Provincial People's Committees are responsible for the issuance, amendment, and withdrawal of licenses for representative offices.

### REQUISITE FILINGS

The following paperwork is required to set up branches or representative offices for foreign companies in Vietnam:

- An application form submitted by the company wishing to establish a presence in Vietnam
  - A copy of the Certificate of Incorporation of the foreign company, notarized by authorities of the registering country
  - A copy of this certificate translated into Vietnamese, notarized by a Vietnam Notary Public or by a diplomatic mission of Vietnam in the registering country
  - One unified form
- If all forms are legal and in order, a license will be issued within 15 days.

### FOREIGN EXCHANGE CONTROLS

The inflow of foreign currency into Vietnam is generally welcomed with minimal restrictions, while the transfer of foreign currency out of the country is still controlled.

Under the current law, at least 50 percent of all foreign-currency income generated in Vietnam from exports, services, and other sources must be deposited at or sold to licensed banks in the country, except in special cases approved by the State Bank. Normally, banks give priority in the sale of foreign currency to companies that need foreign exchange for the importation of materials and supplies for the production of exports.

Currently, there are five state-owned banks, more than 50 private joint-stock banks, five foreign joint-venture banks, and more than 20 totally foreign-owned bank branches operating in the country. Most of them engage in foreign trade activities.

## Tourism

Vietnam's natural beauty, dramatic history, and rich culture provide a strong draw for tourism. All year 'round, the country affords visitors a magical destination brimming with magnificent sights. From the pristine, unspoiled beaches along the coast to the charming mountain villages of Sa Pa and Da Lat, Vietnam truly offerings a wealth of attractions.

Among them are Ha Long Bay—recognized by UNESCO as one of the natural wonders of the world, and offering more than 3,000 majestic islands surrounded by crystal-clear water. Explorers will enjoy Phong Nha Cave, one of the largest and most beautiful caves in the world.

Vietnam's hundreds of historical and cultural sites include the Hung Temple, Co Loa, the Temple of Literature in Hanoi, My Son vestiges, the ancient city of Hoi An, and the Citadel at Hue. Thousands of pagodas, temples, and churches can be found throughout the country, offering a glimpse of the distinctive traditions of the varied ethnic groups that call Vietnam home.

A unique and new destination, Vietnam now draws visitors from around the world. In the year 2001, more than two million foreign tourists were welcomed.

For more information, contact one of the following Vietnam tourism agencies:

#### Tourism General Department:

80 Quan Su  
Hanoi  
Phone: 84.4.825.7998 or 84.4.822.1602  
Fax: 84.4.826.3477  
E-mail: vietnamtourism@hn.vnn.vn  
Web site: www.vietnamtourism.com

#### Office in Ho Chi Minh City:

234 Nam Ky Khoi Nghia Street  
District 3, Ho Chi Minh City  
Phone: 84.8.932.6776, 84.8.932.7873, 84.8.932.5161, or 84.8.932.6276  
Fax: 84.8.932.6775 or 84.8.932.5856  
E-mail: vietnamtourism@hcm.vnn.vn

### PUBLIC HOLIDAYS

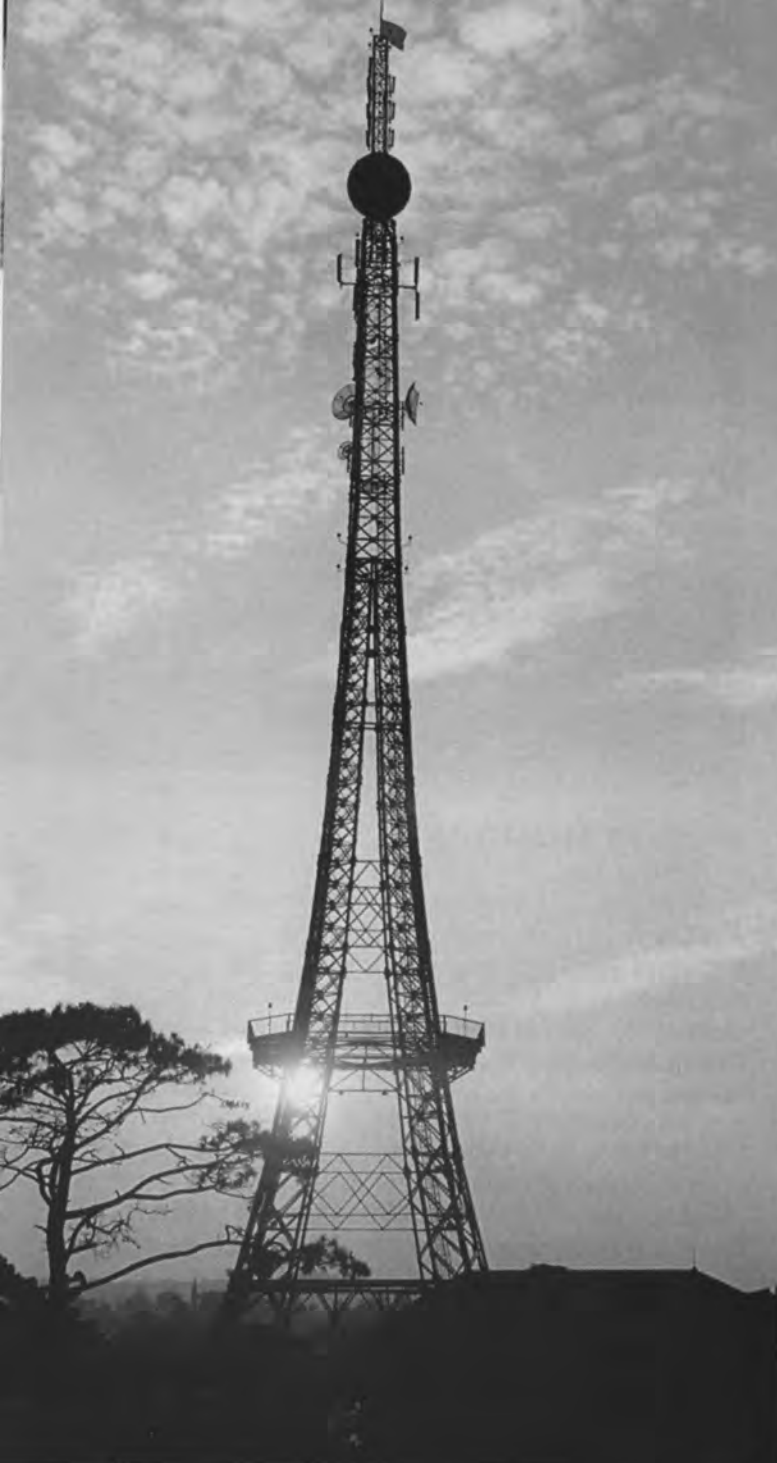
**January 1:** New Year's Day  
**April 30:** Liberation of South Vietnam  
**May 1:** International Labor Day  
**September 2:** National Independence Day

In addition, the Vietnam Traditional Lunar New Year Festival (Tet Nguyen Dan) falls between January 20th and February 15th. This is a four-day holiday that begins on the eve and lasts for the first three days of Lunar New Year.

### POSTAL SERVICE

A regular international postal service and an Express Mail Service (EMS) are available. Domestic EMS ensures that letters and small parcels are delivered within 24-48 hours. International EMS has relations with nearly 30 countries worldwide, with a delivery time ranging from two to 10 days. Express money transfer is also available, and is delivered to the recipient within 24 hours.





## Telecommunications

Vietnam has made great strides in upgrading its telecommunication systems. Vietnam now has direct communication channels with more than 40 countries and indirect connection with almost all other countries in the world. Long-distance and international direct-dial calling are available throughout the country. Internet access is available at many hotels and Internet cafes.

## TELEVISION AND RADIO

Vietnam television broadcasts three channels throughout the country, with satellite and cable channels available at all major hotels. Voice of Vietnam (VOV) Radio can be heard throughout Vietnam, and all provinces and cities have their own local stations. Programs in English, French, and Russian are available on both local and central television and radio.

VTV 4 can be accessed via satellite in North America. VOV Radio can also be heard in the U.S., with programming in Vietnamese and English, at short wave 9695 Khz.

## NEWSPAPERS AND MAGAZINES

There are 150 newspapers and 290 magazines in Vietnam. English-language versions are available on Nhan dan online, and include The Vietnam News, News of VNA, Vietnam Investment Reviews, and The Saigon Times.

A televised fashion event from VTV3



A new telecommunications tower

## Transportation

### AIRLINES

Vietnam Airlines and Pacific Airlines serve all domestic and international routes, with daily flights to major cities and foreign destinations such as Singapore, Bangkok, Phnom Penh, Vientiane, Beijing, Hong Kong, Taipei, Tokyo, and Paris. International airlines based in Vietnam include Singapore Airlines, ANA, Air France,



**VIETNAM AIRLINES**

Lufthansa, Korea Airlines, Thai Airlines, Cathay Pacific, China Southern Airlines, and Malaysia Airway. Domestic air service

includes flights from Hanoi to Hue, Da Nang, Nha Trang, Ho Chi Minh City, Buon Me Thuot, Pleiku, Dien Bien Phu, and Nasan; and from Ho Chi Minh City to Buon Me Thuot, Danang, Dalat, Haiphong, Hue, Nha Trang, Phu Quoc, Pleiku, and Quy Nhon. International flights available in Hong Kong, Hanoi, and Ho Chi Minh City suit the travel needs of most travelers connecting to flights to and from the United States.

### NATIONAL RAILWAY

Vietnam has made continuous efforts to improve the railway network. Four trains operate daily from Hanoi to Ho Chi Minh City on a 1600-mile track system. The entire journey takes approximately two days. Vietnam and China have re-opened the international Hanoi-Beijing railway, offering two trains per week.

### ROAD NETWORK

There are approximately 40,000 miles of land roads in Vietnam, consisting of national, inter-provincial, and inter-district roads. The main arteries linking the north and the south are National Highway 1 and National Highway 14. Truong Son Trail, which is currently under construction, will become another important highway.

In the cities, motorcycles and bicycles are popular. Metered taxis are available in all big cities and at major airports.



The bustling river in Ho Chi Minh City

### SEA TRAVEL

Maritime transportation has been established to the seaports of Hon Gai, Hai Phong, Da Nang, Vung Tau, and Saigon. In recent years, the ports of Hai Phong, Da Nang, and Saigon have received international tourist ships, each carrying more than 1,000 tourists.

### CUSTOMS REGULATIONS

All visitors are required to complete a customs form to declare cameras, electronic appliances, jewelry, and other valuables upon arrival. Luggage, personal possessions, and goods brought in exclusively for personal use are considered non-commercial and are exempt from tax. Visitors can bring unlimited amounts of foreign currencies, jewelry, and precious metals, but cash exceeding US\$3000 must be declared on the customs form.

Officials will review, stamp, and keep one copy of the form. The traveler's copy must be re-presented when leaving the country. Visitors are welcome to take out unlimited quantities of Vietnamese souvenirs, which are exempt from tax if purchased in a state-owned shop and accompanied by a receipt.

Weapons, explosives, flammable substances, drugs, and any other items not in conformity with Vietnamese society cannot be brought into the country.



Ho Chi Minh City at night

## Major Cities and Attractions

### HANOI

**AREA:** More than 335 square miles

**POPULATION:** 3.3 million

**PEOPLE'S COMMITTEE:**

12 Le Lai Street, Hoan Kiem District, Hanoi

**PHONE:** 84.4.825.3536 or 84.4.826.4711

Hanoi is the political, economic, and cultural capital of Vietnam, where the highest state bodies and diplomatic offices are situated.

#### Places of Interest:

- President Ho Chi Minh's Mausoleum
- Hoan Kiem Lake and the Ngoc Son Temple, with golden tortoise
- Temple of Literature, built in 1070, dedicated to Confucius, and considered the first university of Vietnam in 1076
- Old Quarter, consisting of 36 streets named after their trades



Legendary Hoan Kiem (Restored Sword) Lake



A beautiful, suburban neighborhood of Hanoi

- Co Loa Citadel, 12 miles from Hanoi, built in the 3rd century BC to serve as the capital of King An Duong Vuong
- Cathedral of Hanoi (St. Joseph's Church), built in 1886 in the Gothic style
- Abundant museums

### HAI PHONG

**AREA:** 580 square miles

**POPULATION:** 1.5 million

**PEOPLE'S COMMITTEE:**

01 Hoang Dieu Street, Hai Phong

**PHONE:** 84.31.842.304

Built in 1888, Hai Phong is the second-largest seaport in Vietnam, and ranks in importance with the country's major industrial and commercial centers. It is located 65 miles east of Hanoi.

#### Places of Interest:

- Do Son Beach, 13 miles southeast of Hai Phong City, a sea resort marked by beaches, hills, and forests
- Cat Ba National Park, composed of more than 360 small islands that are habitat for over 700 species of plants, 20 species of mammals, 69 species of birds, and more than 30 species of reptiles and amphibians





The Citadel in Hue

## HUE

**AREA:** 26 square miles

**POPULATION:** 340,000

**PEOPLE'S COMMITTEE:** 11-13 Le Loi Street, Hue City, Thua Thien Hue Province

**PHONE:** 84.54.822.598

Located on both sides of the Perfume River, Hue is the capital town of Thua Thien Hue province. It lies 1033 miles south of Hanoi and 10 miles from the sea. Between 1802 and 1945, it was the ancient capital of the last royal dynasty of the Nguyen.

### Places of Interest:

- The Citadel and The Imperial City, a 20-square-mile area constructed between 1804 and 1833, and featuring special sites such as the flag pole, noon gate, courtyard for royal ceremonies, memorial temple for Nguyen Kings, Forbidden City
- King Minh Mang's Tomb, built in 1841
- King Tu Duc's Tomb, constructed in 1848
- King Khai Dinh's Tomb, constructed from 1920 to 1931
- The Linh Mu Pagoda, a Buddhist monastery, erected in 1601 by Lord Nguyen Hoang, the ancestor of the Nguyen

## DA NANG

**AREA:** 36.5 square miles

**POPULATION:** 1.1 million

**PEOPLE'S COMMITTEE:** 31 Tran Phu Street, Da Nang City

**PHONE:** 84.511.825.056

Da Nang, a busy seaport located 470 miles south of Hanoi, is an economic zone of production and exportation. It is best known for its historic sites, scenic beauty, and glorious beaches.

### Places of Interest:

- Cham Museum, built in 1915 and consisting of 300 sculptures collected from various sites of the Cham Kingdom and ancient objects dating from the 4th to 12th centuries
- Marble Mountain
- Non Nuoc beach
- My Khe beach
- Hoi An, an ancient port that served as a transit maritime port in the 10th century



A colorful view of downtown Da Nang by night



French Provincial architecture in Ho Chi Minh City

## HO CHI MINH CITY

**AREA:** 936 square miles

**POPULATION:** 5 million

**PEOPLE'S COMMITTEE:** 86 Le Thanh Ton Street, 1st District, Ho Chi Minh City

**PHONE:** 84.8.823.1237 or 84.8.829.1054

Ho Chi Minh City is one of the most important economic and cultural centers of Vietnam.

### Places of Interest:

- Historical Museum
- War Museum
- Notre Dame Cathedral, built in 1890
- Reunification Palace
- Main Post Office
- Thien Hau temple
- Giac Lam Pagoda and Giac Vien pagodas, the most ancient in the city
- Cu Chi Tunnels, an area 45 miles northwest of Saigon that played an important role in Vietnam's wars for independence and reunification

## HA LONG BAY

Ha Long Bay is located 110 miles northeast of Hanoi, and is comprised of 3000 islands and islets within an area of 579 square miles. It is perhaps the most mysterious, magnificent, and unique bay in the world.

### Places of Interest:

- Pelican Cave, a beautiful grotto filled with stalactites and stalagmites
- Dau Go Cave, naturally divided into three sections that can accommodate 3,000 visitors
- Trinh Nu Cave, featuring stalactites and stalagmites in unusual shapes, one of which resembles a young girl's face



UNESCO World Heritage Site, Ha Long Bay

## USEFUL INFORMATION AND ADDRESSES

### Ministry of Foreign Affairs:

1 Ton That Dam Street  
Ba Dinh District, Hanoi  
Phone: 84.4.845.3973 or  
84.4.845.8208  
Fax: 84.4.844.5905

### Ministry of Culture and Information:

51-53 Ngo Quyen Street  
Hoan Kiem District, Hanoi  
Phone: 84.4.826.2280 or  
84.4.825.3629  
Fax: 84.4.826.7101

### Ministry of Education and Training:

49 Dai Co Viet Street  
Hai Ba Trung District, Hanoi  
Phone: 84.4.869.4904 or  
84.4.869.4793  
Fax: 84.4.869.4085

### Ministry of Finance:

8 Phan Huy Chu Street  
Hoan Kiem District, Hanoi  
Phone: 84.4.826.2357 or  
84.4.826.2369  
Fax: 84.4.826.2266

### Ministry of Planning and Investment:

2 Hoang Van Thu Street  
Ba Dinh District, Hanoi  
Phone: 84.4.804.3255 or  
84.4.845.3027  
Fax: 84.4.823.4453

### Ministry of Trade:

21 Ngo Quyen Street  
Hoan Kiem District, Hanoi  
Phone: 84.4.826.2466 or  
84.4.825.3011  
Fax: 84.4.826.4696

### Chamber of Commerce:

33 Ba Trieu Street  
Hai Ba Trung District, Hanoi  
Phone: 84.4.826.6355  
Fax: 84.4.825.6446

### The State Bank of Vietnam:

49 Ly Thai To Street  
Hoan Kiem District, Hanoi  
Phone: 84.4.825.4818 or  
84.4.825.6922  
Fax: 84.4.826.8765

### Ministry of Labor, War Invalids, and Social Affairs:

12 Ngo Quyen Street  
Hoan Kiem District, Hanoi  
Phone: 84.4.824.6137 or  
84.4.824.1074  
Fax: 84.4.824.8036

### Public Security:

44 Yet Kieu Street  
Hoan Kiem District, Hanoi  
Phone: 84.4.804.6266 or  
84.4.822.6601  
Fax: 84.4.826.0774

### Ministry of Defense:

1 Hoang Dieu Street  
Ba Dinh District, Hanoi  
Phone: 84.4.069553314 -  
84.4.069554223

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### VISA INFORMATION

The Embassy of Vietnam can process tourist, business, press, and diplomatic visas. Tourist visas can be issued to applicants who have a signed visa authorization, approval from relevant Vietnamese officials, or a copy of a contract with a tour agent. Applicants for all types of visas must provide the embassy with one copy of the application form and one passport-size photo. For Vietnamese Americans, two photos are required. Upon receiving visa approval from the relevant agency in Vietnam, visa processing takes from two to five working days.

### More information and visa applications are available:

- On the Internet at <http://www.vietnamembassy-usa.org/consular>
- By mail at 1233 20th Street, NW, Washington, DC, 20036
- By telephone at 202.861.2293

## The Embassy of Vietnam

*Vietnam - The New Century*  
is published by the Embassy of the Socialist Republic of Vietnam in the United States.

*This brochure is made possible through the support of  
the Vietnam Veterans Memorial Fund*



VIETNAM VETERANS MEMORIAL FUND

**Editor:** Ms. Lynda Gianforte Mansfield

**Designer:** Mr. Michael Uyesugi

**Photo acknowledgements:**

Vietnam News Agency (VNA)

Vietnam Television, VTV3

Ms. Marianne Henderson

Ms. Marcia Selva (Global Spectrum)

Mr. Ken Liffiton

Mr. Pham Thanh Ha

and the U.S. State Department

*The Embassy of Vietnam would like to express our sincere thanks  
for your valuable contributions to this brochure.*



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