

The Sales Pitch You'll Hear Today...

To gain your business, the Hanoi officials today will pledge to improve the legal infrastructure in Vietnam, to create the legal framework that meets every investor's needs.

Hanoi officials repeat this line often. Please take a moment and consider the message.

- **Can "laws" simply be created?** It's easy to build physical infrastructure--just install phone lines and pave roads. But real and credible laws require a legal ethic. Do you believe in the "laws" of an unelected, lawless regime?
- **A legal framework by demand is no legal framework at all.** What's a pledge worth if it won't be kept and the promiser has no legitimacy?
 - In 1993, Vietnam passed a "liberal" Foreign Banking Law. Soon after French and Australian banks opened branch offices, Hanoi raised the tax on deposits and limited repatriation of capital. Seems the rules had changed.
 - This month, Total, the French oil-company, pulled out of a major refinery project after spending millions. Reneging on a deal, the prime minister's office abruptly transferred the planned refinery site hundreds of miles away to an unprofitable location. Seems another foreign company had fallen out of favor with the powers-that-be.
- **Some perspective on the value of laws in Communist Vietnam**
 - There have now been three constitutions, about one new "law of the land" every ten years.
 - A new foreign investment law is being rolled out this month, the third such one since 1988.

Hear what the Hanoi leaders have to say, then ask yourself: **"Is my investment safe in the Vietnam of today?"**

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