

WORLD TRADE ORGANIZATION

RESTRICTED

WT/ACC/VNM/13/Add.2
30 October 2003

(03-5784)

**Working Party on the
Accession of Viet Nam**

Original: English

ACCESSION OF VIET NAM

New and Updated Notifications Pursuant to Article XVI:1 of the GATT 1994
and Article 25 of the Agreement on Subsidies and Countervailing Measures

(Period covered by the Notification: 2001-2002)

Addendum

The Government of the Socialist Republic of Viet Nam has submitted the following New and Updated Notifications Pursuant to Article XVI:1 of the GATT 1994 and Article 25 of the Agreement on Subsidies and Countervailing Measures, with the request that it be circulated to the members of the Working Party.

The following notification provides details of programmes for the period 2001-2002. It serves as the new subsidies notification for programmes as well as the updating notification regarding the previous period 1999-2000. This notification may be supplemented, in due time, to incorporate further elements or clarifications.

In this notification, Viet Nam has included certain measures which may not constitute “subsidies” under Article 1 of the Agreement on Subsidies and Countervailing measures (“the Agreement” hereinafter) and certain subsidies which may not be “specific” under Article 2 of the Agreement in order to achieve the maximum transparency with respect to the relevant programmes and measures effective within its territory during the notified period.

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I. PREFERENTIAL IMPORT TARIFF RATES CONTINGENT UPON LOCALISATION RATIOS WITH RESPECT TO PRODUCTS AND PARTS OF TWO-WHEEL MOTORBIKE AND MECHANICAL-ELECTRIC-ELECTRONIC INDUSTRIES (UPDATING PROGRAM II, DOCUMENT WT/ACC/VNM/13/ADD.1).

1. Title of the subsidy program

Preferential import tariff rates contingent upon localization ratios with respect to products and parts of two-wheel motorbike and mechanical-electric-electronic industries.

2. Policy objectives and/or purposes of the subsidy

To encourage domestic production and assembly of products and parts of two-wheel motorbike and mechanical-electric-electronic industries.

3. Background and authority for the subsidy

a. Background

- Decision No.38/2002/QD-TTg dated 14/3/2002 of the Prime Minister on the management of manufacturing, assembling and importing components of two-wheel motorbike;
- Inter-Ministerial Circular No.176/1998/TTLT-BTC-BCN-TCHQ dated 25/12/1998 of Ministry of Finance, Ministry of Industry and General Department of Customs guiding the implementation of tariff imposition contingent upon localization ratios with respect to products and parts of mechanical-electric-electronic industries;
- Inter-Ministerial Circular No.92/2001/TTLT-BTC-BCN-TCHQ dated 20/11/2001 of Ministry of Finance, Ministry of Industry and General Department of Customs guiding the imposition of preferential tariff rates contingent upon localization ratios with respect to products and engines of two-wheel motorbike (in replacement of the regulation of tariff rates contingent upon localization ratios with respect to products and engines of two-wheel motorbike stipulated in Inter-Ministerial No.176/1998/TTLT-BTC-BCN-TCHQ dated 25/12/1998 and No.120/2000/TTLT-BTC-BCN-TCHQ dated 25/12/2000 of Ministry of Finance, Ministry of Industry and General Department of Customs);
- Decision No.116/2001/QD-BTC dated 20 November 2001 of the Minister of Finance on amending and modifying preferential import tariff rates according to the regulation on preferential tariff for motorbikes stipulated in MFN Import Tariff Schedule issued together with Decision No.1944/1998/QD-BTC dated 25 December 1998 of Minister of Finance on promulgation of regulations on preferential import tariff rates contingent upon localization ratios with respect to products and parts of mechanical, electric and electronic industries;
- Decision No.66/2002/QD-BTC dated 22/5/2002 of Minister of Finance on modifying import tariff rates of certain parts of two-wheel motorbike, modifying scheme of localization ratios and import tariff rates contingent upon localization ratios with respect to parts of two-wheel motorbike;
- Inter-Ministerial Circular No.52/2002/TTLT-BTC-BCN dated 4/6/2002 of Ministry of Finance and Ministry of Industry on modification and amendment of Inter-

Ministerial Circular No.92/2001/TTLT-BTC-BCN-TCHQ dated 20/11/2001 of Ministry of Finance, Ministry of Industry and General Department of Customs;

- Decision No. 78/2002/QĐ-BTC dated 10/6/2002 of Minister of Finance promulgating the regulation on principle and method for calculating aggregate production capacity of manufacturing and assembling two-wheel motorbike.

b. Authorities

- Ministry of Finance;
- Ministry of Industry;

4. Form of the subsidy

Preferential import tariff rates.

5. To whom and how the subsidy is provided

5.1 Preferential tariff rates contingent upon localization ratios with respect to products and parts of two-wheel motorbike

a. Eligibility

All enterprises established under Vietnamese laws (including foreign-invested enterprises) operating in production, assembly of products and/or engines of two-wheel motorbike.

b. How the subsidy is provided

Preferential import tariff rates are imposed contingent upon localization ratios. Localization rates are certified by the Ministry of Industry; import tariff rates contingent upon localization ratios are regulated by the Ministry of Finance:

Complete products of two-wheel motorbike:

Achieved localization ratio (%)	MFN import tariff rates contingent upon localization ratios (%)
1. Above 0 and up to 20	60
2. Above 20 and up to 30	50
3. Above 30 and up to 40	40
4. Above 40 and up to 50	30
5. Above 50 and up to 60	20
6. Above 60 and up to 70	10
7. Above 70 and up to 80	5
8. Above 80	3

Parts of two-wheel motorbike:

Achieved localization ratio (%)	MFN import tariff rates contingent upon localization ratios (%)			
	With respect to parts which are subject to MFN import tariff rate of 30%	With respect to parts which are subject to MFN import tariff rate of 40%	With respect to parts which are subject to MFN import tariff rate of 50%	
			Engines	Other parts
1. Up to 20	30	40	50	50
2. Above 20 to 35	20	30	30	40
3. Above 35 to 45	15	20	20	30
4. Above 45 to 55	10	10	10	20
5. Above 55 to 65	7	7	7	10
6. Above 65 to 80	5	5	5	7
7. Above 80	3	3	3	5

5.2 *Preferential tariff rates contingent upon localization ratios with respect to products and parts of mechanical-electric-electronic industries*

a. *Eligibility*

Vietnamese and foreign-invested enterprises operating in production and assembly of parts and/or complete products of mechanical-electric-electronic industries.

b. *How the subsidy is provided*

The above-mentioned enterprises enjoy preferential import tariff rates according to localization ratios:

(i) Electronic products and parts:

- Electronic products:

Achieved localization ratio (%)	MFN import tariff rates contingent upon localization ratios (%)			
	With respect to parts which are subject to MFN import tariff rate of 30%	With respect to parts which are subject to MFN import tariff rate of 40%	With respect to parts which are subject to MFN import tariff rate of 50%	With respect to parts which are subject to MFN import tariff rate of 60%
1. Up to 20	20	30	40	40
2. Above 20 to 35	15	20	30	30
3. Above 35 to 50	10	10	15	15
4. Above 50 to 60	5	5	10	10
5. Above 60	3	3	3	3

- Electronic parts:

Achieved localization ratio (%)	MFN import tariff rates contingent upon localization ratios (%)			
	With respect to parts which are subject to MFN import tariff rate of 30%	With respect to parts which are subject to MFN import tariff rate of 40%	With respect to parts which are subject to MFN import tariff rate of 50%	With respect to parts which are subject to MFN import tariff rate of 60%
1. Up to 15	20	20	30	40
2. Above 15 to 30	15	15	20	20
3. Above 30 to 40	10	10	10	10
4. Above 40 to 50	5	5	5	5
5. 5- Above 50	3	3	3	3

(ii) Mechanical-electric products and parts:

- Mechanical-electric products:

Achieved localization ratio (%)	MFN import tariff rates contingent upon localization ratios (%)			
	With respect to parts which are subject to MFN import tariff rate of 30%	With respect to parts which are subject to MFN import tariff rate of 40%	With respect to parts which are subject to MFN import tariff rate of 50%	With respect to parts which are subject to MFN import tariff rate of 60%
1. Up to 20	20	30	40	50
2. Above 20 to 35	15	20	30	40
3. Above 35 to 50	10	10	20	20
4. Above 50 to 60	5	5	10	10
5. Above 60	3	3	3	3

- Mechanical-electric parts:

Achieved localization ratio (%)	MFN import tariff rates contingent upon localization ratios (%)			
	With respect to parts which are subject to MFN import tariff rate of 30%	With respect to parts which are subject to MFN import tariff rate of 40%	With respect to parts which are subject to MFN import tariff rate of 50%	With respect to parts which are subject to MFN import tariff rate of 60%
1. Up to 15	20	20	30	40
2. Above 15 to 30	15	15	20	20
3. Above 30 to 40	10	10	10	10
4. Above 40 to 50	5	5	5	5
5. Above 50	3	3	3	3

6. Subsidy per unit, or in case where this is not possible, the total amount or the annual amount budgeted for the subsidy

Data not available.

7. Duration of the subsidy and/or any other time-limit attached to it

- Preferential import tariff rates contingent upon localization ratios with respect to products and parts of two-wheel motorbike: from 1999 to 31 December 2002 (*This program is not applied from 1 January 2003*);
- Preferential import tariff rates contingent upon localization ratios with respect to products and parts of mechanical-electric-electronic industries: from 1999.

8. Statistic data permitting an assessment of the trade effects of the subsidy

Data not available.

II. SUPPORT FOR THE IMPLEMENTATION OF PROJECTS MANUFACTURING PRIORITY INDUSTRIAL PRODUCTS (UPDATING PROGRAM XV, DOCUMENT WT/ACC/VNM/13/ADD.1)

1. Title of the subsidy program

Support for the implementation of projects manufacturing priority industrial products.

2. Policy objectives and/or purposes of the subsidy

To support the manufacture of priority industrial products.

3. Background and authority for the subsidy

a. Background

- Decision No.37/2000/QD-TTg dated 24/3/2000 of the Prime Minister promulgating regulation of supporting the manufacture of priority industrial products (including maritime ships with the capacity of 11,500 tones, internal combustion engines with capacity below 30 CV, colour television sets) and the Circulars guiding the implementation of this Decision;
- Decision No.19/2001/QD-TTg dated 20 February 2001 of the Prime Minister on adding computer products to the list of priority industrial products subject to the financial support regulated under the Decision No.37/2000/QD-TTg dated 24 March, 2000 of the Prime Minister and relevant circulars.

b. Authorities

- Ministry of Transport;
- Ministry of Industry.

4. Form of the subsidy

- Exemption of import duty;
- Preferential corporate income tax rates;
- Preferential access to development investment loans from the state;
- Reduction of land rental;

5. To whom and how the subsidy is provided

a. Eligibility to financial support and tax incentives:

Enterprises which are principally responsible for the implementation of the projects of manufacture of priority industrial products including:

- Viet Nam Shipping Industry Corporation - principally responsible for the project of building maritime ships with the capacity of 11,500 tonnes;

- Viet Nam Engine and Agriculture Machinery Corporation (VEAM) - principally responsible for the project manufacturing internal combustion engines with capacity below 30 CV;
- Hanoi Electronics Company (HANEL) - principally responsible for the project manufacturing colour television sets.
- Viet Nam Electronics and Informatics Corporation - principally responsible for the project manufacturing computer products.

Enterprises (including both Vietnamese and foreign-invested enterprises) assigned to co-ordinate with the principal enterprises implementing the project of manufacturing priority industrial products include those supplying materials, semi-finished products, components and accessories, etc. (including the supply to manufacturers of unfinished products, units, components and accessories, etc.), which are used in the manufacture of priority industrial products and are certified by the Ministry of Industry.

b. How the subsidy is provided:

Tax incentives:

- Import duty is exempted until the end of 31 December 2003 for specialised machinery, equipment, means of transportation of the technological line to establish fixed assets of an enterprise;
- Enterprises implementing this project enjoy corporate income tax rate of 25%, corporate income tax exemption for 2 years from the time of having taxable income and a 50% reduction of the payable corporate income tax for the 2 subsequent years.

Credit incentives:

- Enterprises described in section 5 above are allowed to access to development investment loans from the state via the Development Assistance Fund to satisfy its demand for construction of production units. The loan period is not exceed 10 years for each loan. No mortgage is required for the loan. However, borrowers are not allowed to assign their assets before full repayment of their debts (including the principal and interests) for each loan;
- Approved research and development proposals are granted capital support from the state's budget for science and technology research.

Land rental incentives:

- Eligible enterprises enjoy a 50% reduction of land rental throughout the duration of the project.

6. Subsidy per unit, or in case where this is not possible, the total amount or the annual amount budgeted for the subsidy

Data not available.

7. Duration of the subsidy and/or any other time-limit attached to it

From 8 April 2000

From 8 April 2000 to 31 December 2003 with respect to import duty incentives.

8. Statistic data permitting an assessment of the trade effects of the subsidy

Negligible.

III. INVESTMENT INCENTIVES FOR DOMESTIC ENTERPRISES OPERATING IN VIET NAM (UPDATING PROGRAM VII, IX, XI, DOCUMENT WT/ACC/VNM/13/ADD.1)

1. Title of the subsidy program

Investment incentives for domestic enterprises operating in Viet Nam.

2. Policy objectives and/or purposes of the subsidy

To encourage domestic enterprises to invest in trade and production.

3. Background and authority for the subsidy

a. Background

Law on Domestic Investment Promotion (as amended) No.03/1998/QH10 dated 20 May 1998 and legal documents guiding the implementation of this Law.

b. Authority

Ministry of Planning and Investment.

4. Form of the subsidy

- Exemption, reduction of land use payment;
- Exemption, reduction of land rental;
- Exemption, reduction of land use tax;
- Preferential corporate income tax rates;
- Exemption of import duties for the equipment, machinery contributed as fixed assets of an enterprise;
- Exemption of personal income tax.

5. To whom and how the subsidy is provided

a. Exemption, reduction of land use payment

Investors who are allocated land by the State enjoy exemption and 50%-100% reduction of land use payment for investment projects in areas and sectors where investment is encouraged as listed in Annexes I, II and III;

b. Exemption, reduction of land rental

Investors implementing investment projects in encouraged investment areas and sectors listed in Annexes I, II and III enjoy land rental exemption and reduction for the period from 3 to 15 years, or for the whole period in limited special cases;

c. Exemption, reduction of land use tax

Investors implementing investment projects in encouraged investment areas and sectors listed in Annexes I, II and III are granted a 50% reduction of land use tax for the period of 7 years; exemption of land use tax for the period from 7 to 15 years from the date of land allocation; exemption of land use tax for the whole period of project;

d. Preferential corporate income tax

Incentives on corporate income tax rates:

- 25% for investment projects listed in Annexes I and II;
- 20% for investment projects listed in Annex I implemented in areas listed in Annex II, investment projects listed in Annex III;
- 15% for investment projects listed in Annex I implemented in areas listed in Annex III.

Incentives on period of corporate income tax exemption and reduction

Corporate income tax is exempted for the period from 2 to 4 years, reduced by 50% for the period from 2 to 9 subsequent years for investment projects in areas and sectors where investment is encouraged as listed in Annexes I, II and III; for BOT and BTO projects; for scale-expanding and upgrading investment projects.

Investors producing goods for export and/or exporting goods are granted corporate income tax exemption for the amount of income earned by export in the financial year for investment projects in areas falling under the List of areas of specially difficult socio-economical conditions; 20%-50% reduction of corporate income tax on the amount of income earned from export to new markets, new export products, and in the case of higher export volume as compared with the previous year, export turnover accounting for more than 50% of total turnover.

Investors are exempted from supplementary corporate income tax, which is imposed on the high income attributable to objective advantage¹.

e. Exemption of import duties for equipment, machinery contributed as enterprise's fixed assets of an enterprise.

Exemption of import duty for specialised machinery, equipment, means of transportation (of the technological line) imported to establish enterprises' fixed assets or to expand investment scale and to renovate technology; for specialised transportation means used to transport workers.

f. Exemption of personal income tax

Individual investors are exempted from personal income tax for the income attributable to his/her capital contribution to or stock purchase of enterprises located in areas of difficult socio-economic conditions or areas of specially difficult socio-economic conditions for 10

¹ Refer to the Government's Decree No.30/1998/ND-CP dated 13 May 1998 providing details to implement the Law on Corporate Income Tax for provisions related to supplementary corporate income tax.

years commencing from the time when he/she is liable for personal income tax in accordance with relevant regulations on personal income tax.

6. Subsidy per unit, or in case where this is not possible, the total amount or the annual amount budgeted for the subsidy

Year	No. of projects entitled to investment incentives	Total registered capital (billion VND)	% project entitled to investment incentives on tax	% project entitled to investment incentives on land	% project entitled to investment incentives on credit
1999	637	7,541	100%	12%	60%
2000	1,374	14,955	100%	15%	64%
2001	2,425	38,723	100%	18%	70%

Source: Ministry of Planning and Investment

7. Duration of the subsidy and/or any other time-limit attached to it

From 1999

8. Statistic data permitting an assessment of the trade effects of the subsidy

Not assessable

**IV. INVESTMENT INCENTIVES FOR FOREIGN-OWNED ENTERPRISES
(UPDATING PROGRAMS VI, VII, X, DOCUMENT WT/ACC/VNM/13/ADD.1)**

1. Title of the subsidy program

Investment incentives for foreign-owned enterprises.

2. Policy objectives and/or purposes of the subsidy

Attracting foreign direct investment into Viet Nam.

3. Background and authority for the subsidy

a. Background

- Law on Foreign Investment in Viet Nam dated 12 November 1996;
- Law on amendment of and addition to certain Articles of the Law on Foreign Investment in Viet Nam (Law No.18/2000/QH10) dated 9 June 2000;
- Another legal documents guiding the implementation of this Law.

b. Authority

Ministry of Planning and Investment.

4. Form of the subsidy

Tax incentives

5. To whom and how the subsidy is provided

a. Preferential corporate income tax rates; exemption and reduction of corporate income tax:

Preferential corporate income tax rates of 20%, 15%, 10%², an exemption of corporate income tax for the period from 1 to 4 years and a 50% reduction for the period from 2 to 4 subsequent years are applied to the following investors :

- Enterprises located in industrial zones operating in service sector;
- Being included in the Lists of Encouraged Investment Projects and Specially Encouraged Investment Projects; Lists of Areas under difficult socio-economic conditions and Areas under specially difficult socio-economic conditions; (Annexes IV-VI);
- Enterprises operating in service sector and located in export processing zones;
- Enterprises located in industrial zones exporting more than 50% of their products;
- Enterprises committing non-refundable transfer of assets to the state after the operation period expires;

² Normal tax rate is 25%

- Enterprises building and operating infrastructure facilities of industrial zones, export processing zones and high-tech zones; export processing enterprises;
- Enterprises engaged in education and training, health care, science research sectors.

Vietnamese individuals residing abroad enjoy a 20% reduction of corporate income tax of the same kind of investment projects, except the case of tax rate of 10%.

b. Exemption of import duties for the period of 5 years or for the whole period of investment project:

- Goods imported to establish fixed assets;
- Raw materials and materials imported to implement BOT, BTO and BT projects; plant seeds and animal breeds, specialised agricultural medicine allowed to be imported to implement agricultural, forestry and aqua-culture projects;
- Raw materials for production of investment projects included in the List of Specially Encouraged Investment Projects; List of Areas under socially and economically difficult conditions; other raw materials for investment projects included in the List of Specially Encouraged Investment Projects (Annexes IV-V-VI)

6. Subsidy per unit, or in case where this is not possible, the total amount or the annual amount budgeted for the subsidy

Data not available.

7. Duration of the subsidy and/or any other time-limit attached to it

From 1996 -

8. Statistic data permitting an assessment of the trade effects of the subsidy

Not assessable.

V. INCENTIVES IN DEVELOPMENT INVESTMENT LOAN (UPDATING A PART OF PROGRAM VIII, DOCUMENT WT/ACC/VNM/13/ADD.1)

1. Title of the subsidy program

Incentives in development investment loan.

2. Policy objectives and/or purposes of the subsidy

To support the process of transformation of economic structure and consumption of agricultural products.

3. Background and authority for the subsidy

a. Background

- Decision No. 02/2001/QD-TTg dated 2 January 2001 on regulation on investment support from the Development Assistance Fund;
- Decree No.43/1999/ND-CP dated 29 June 1999 of the Government on the development investment loans from the state;
- Decision No. 80/2002/QD-TTg dated 24 June 2002 of the Prime Minister on the promotion policy for consumption of agricultural products by purchase contracts.

b. Authorities

- Ministry of Finance;
- Ministry of Agriculture and Rural Development;
- The Development Assistance Fund.

4. Form of the subsidy

- Credit incentives;
- Credit guarantee.

5. To whom and how the subsidy is provided

a. Eligibility:

Production and processing projects in export-oriented sectors; agricultural production such as planting of perennial trees, cattle and aqua-culture breeding, salt production, development of processing industry.

b. How the subsidy is provided:

- Preferential investment loan from the Development Assistance Fund;
- Credit guarantee up to 100% of loans from financial institutions legally operating in Viet Nam;

- Investment projects in processing and consumption of agricultural products in remote areas, areas of specially difficult socio-economic conditions, borderland, islands are allowed to borrow from the Development Assistance Fund at interest rate of 3% per annum.

6. Subsidy per unit, or in case where this is not possible, the total amount or the annual amount budgeted for the subsidy

Data not available.

7. Duration of the subsidy and/or any other time-limit attached to it

From 7 January 2001.

8. Statistic data permitting an assessment of the trade effects of the subsidy

Data not available.

VI. SUPPORT FOR DEVELOPMENT OF TEXTILE AND CLOTHING SECTORS (NEW)

1. Title of the subsidy program

Program supporting the implementation of the Development Strategy of Viet Nam's textile and clothing sectors to the year 2010.

2. Policy objectives and/or purposes of the subsidy

To develop the textile and clothing industries into one of key and labour-intensive industries; to improve the competitiveness of textile and clothing products.

Background and authority for the subsidy

a. Background

- Decision No.161/1998/QD-TTg dated 4 September 1998 approving Master Plan for the development of textile and clothing industries to the year 2010;
- Decision No.55/2001/QD-TTg dated 23 April 2001 approving the Development Strategy and certain supporting policies and measures to implement the Development Strategy of Viet Nam's textile and clothing industries to the year 2010;
- Decision No. 17/2002/QD-TTg dated 21 January 2002 of the Prime Minister on direction and development of cotton tree for the period 2001-2010.
- Resolution No.05/2001/ND-CP dated 24 May 2001 of the Government on supplementing certain solutions to manage the Economic Plan for the year 2001;
- Another relevant legal documents.

b. Authorities

Ministry of Industry;

4. Form of the subsidy

- Preferential credit terms;
- Investment incentives;
- Guarantees provided by the Government;
- Assistance in trade promotion expenditures.

5. To whom and how the subsidy is provided

Assistance from the state budget, Official Development Assistance is granted to projects developing materials areas (e.g. planting cotton trees, mulberry trees, growing silkworms); investing in waste water treatment works; to planning textile and weaving clusters; building infrastructures for new industry clusters; training and research projects of clothing and textile institutes, colleges and research centers.

Entities investing in production of fibers, weaving, complete dyeing, materials for weaving, accessories for sewing and sewing machinery:

- are allowed to borrow development investment loan from the Development Assistance Fund, 50% of the value of which is subject to the interest rate of 3%/year for the period of 12 years with 3 years of grace period; the remaining 50% is subject to the interest rate of 5.4%/year;
- are considered to invest in encouraged investment sectors and are allowed to enjoy investment incentives stipulated in Law on Domestic Investment Promotion.

All the fees collected from granting textile and clothing quotas and quota bidding are reserved for trade promotion activities and for training human resources of textile and clothing industries.

6. Subsidy per unit, or in case where this is not possible, the total amount or the annual amount budgeted for the subsidy

- Total medium and long term loans of 56 projects is VND 1,378.6 billions.
- Total value based on loan agreements is VND 395 millions.

7. Duration of the subsidy and/or any other time-limit attached to it

From 7 May 2001 – 2010.

8. Statistic data permitting an assessment of the trade effects of the subsidy

Negligible.

VII. EXPORT REWARD (UPDATING A PART OF PROGRAM XII, DOCUMENT WT/ACC/VNM/13/ADD.1)

1. Title of the subsidy program

Export reward.

2. Policy objectives and/or purposes of the subsidy

To encourage entrepreneurs achieving high export performance in the form of a small reward.

3. Background and authority for the subsidy

a. Background

- Decision No.195/1999/QD-TTg dated 27 September 1999 of the Prime Minister on establishment, utilization and management of Export Promotion Fund;
- Decision No.02/2002/QD-BTM dated 2 February 2002 promulgating the regulations on export reward evaluation (superseding the Decisions issued earlier by the Ministry of Trade promulgating regulations on export reward evaluation).

b. Authority

Ministry of Trade.

4. Form of the subsidy

Export reward (accompanied with Certificate on Export Performance).

5. To whom and how the subsidy is provided

a. Eligibility:

Traders established and operating the Vietnamese laws, whose direct export performance meets the following criteria are considered to be granted export reward:

- (i) Exported products are new and efficient with annual export volume of at least US\$100,000. With respect to traders located in mountainous and island provinces, annual export volume required is at least US\$50,000.
- (ii) The current year's export volume is at least 20% higher than that of the preceding year with absolute increase of at least US\$400,000; with respect to entities located in mountainous and island provinces, numbers are 15% and US\$200,000 respectively.
- (iii) Exported products reach high quality, which are awarded medals at international fairs and exhibitions held abroad; or granted certificates or written confirmation by international quality control organizations.
- (iv) Exported products are manufactured and processed by local raw materials, or labor-intensive products (fine-art handicraft articles; agricultural, forestry and aquatic products; garments, footwear, etc.) with annual export volume of at least US\$10 million and at least US\$3 million with respect to fine art handicraft articles, fruits and pork.

- (v) Non-quota products are exported with annual export volume of at least US\$50 million.

Export rewards are granted by the Export Promotion Fund.

6. Subsidy per unit, or in case where this is not possible, the total amount or the annual amount budgeted for the subsidy

Year	Total reward	No. of enterprises	Average reward per enterprise
1998	VND 4.7 billion (equiv.US\$323,103)	85	US\$3,800
1999	VND 6.2 billion (equiv.US\$427,586)	148	US\$2,900
2000	VND 10.6 billion (equiv.US\$706,667)	158	US\$4,470
2001	VND 12.7 billion (equiv.US\$845,000)	195	US\$4,330
2002 (estimated)	VND 16.3 billion (equiv.US\$1,051,600)	223	US\$4,710

7. Duration of the subsidy and/or any other time limit attached to it

From 1998 -

8. Statistic data permitting an assessment of the trade effects of the subsidy

Negligible.

VIII. EXPORT PROMOTION (UPDATING A PART OF PROGRAM XII, DOCUMENT WT/ACC/VNM/13/ADD.1)

1. Title of the subsidy program

Export promotion.

2. Policy objectives and/or purposes of the subsidy

To promote exports, especially agricultural products and those produced in rural areas.

3. Background and authority for the subsidy

a. Background

- Decision No.195/1999/QD-TTg dated 27 September 1999 of the Prime Minister on establishment, utilization and management of the Export Promotion Fund;
- Decision No.65/2001/QD-BTC dated 29 June 2001 on granting bonus contingent upon export performance of rice, coffee, pork, canned fruits and vegetables for the year 2001;
- Decision No.166/2001/QD-BTC dated 26 December of 2001 on adding half-grown pork to the list of the commodities subject to export bonus under the Decision No.65/2001/QD-BTC dated 29 June 2001;
- Decision No. 908/2001/QD-TTg dated 26 July 2001 of the Prime Minister on measures to promote export and manage import in the later half of 2001;
- Instruction No. 31/2001/CT-TTg dated 13 December 2001 on enhancing and improving the effectiveness of export-import activities in 2002;
- Decision No.63/2002/QD-BTC dated 21 May 2002 on reward levels contingent upon export performance in 2002.

b. Authorities

- Ministry of Trade;
- Ministry of Finance;
- Ministry of Agriculture and Rural Development;
- Ministry of Planning and Investment.

4. Form of the subsidy

Export bonus.

5. To whom and how the subsidy is provided*a. Export bonus contingent upon export performance of agricultural products in 2001*

Eligibility (2001): enterprises of all economic sectors exporting rice, coffee, pork, canned fruits and vegetables.

The bonus is applied contingent upon export volume (in terms of FOB prices in Viet Nam's ports or equivalent delivery means) of products exported in 2001. Export volume in other foreign currencies are to be converted into US\$ at the market exchange rate in the inter-bank foreign currency market at the time of payment.

b. Export bonus contingent upon export performance in 2002

The reward contingent upon export volume is applied to entities of all economic sectors exporting the following products: rice, coffee, pork, canned fruits and vegetables, tea, peanuts, pepper, cashew nuts, handicrafts, rattan and bamboo ware, plastic and mechanical products (excluding products exported under Government agreements and those exported to pay loans)

6. Subsidy per unit, or in case where this is not possible, the total amount or the annual amount budgeted for the subsidy

- Bonus in 2001:

No.	Products	Bonus level
1.	Rice	VND 180/US\$
2.	Coffee	VND 220/US\$
3.	Pork	
	- piglet	VND 280/US\$
	- half-grown pork	VND 450/US\$
	- cuts of pork	VND 900/US\$
4.	Canned fruits and vegetables	
	- Canned fruits	VND 400/US\$
	- Canned vegetables	VND 500/US\$

- Bonus in 2002:

Number	Product	Bonus level
1.	Rice of all kinds	VND 180/US\$
2.	Coffee	
	- Unprocessed coffee	VND 220/US\$
	- Instant coffee of all kinds and coffee powder	VND 100/US\$
3.	Pork	
	- piglet, half-grown pork	VND 280/US\$
	- Pork in cuts, lean blocs	VND 900/US\$
4.	Cattle and poultry meats of all kinds	VND 100/US\$
5.	Fruit and vegetables of all kinds	
	- Canned fruits and vegetables	VND 400/US\$
	- Fresh, dried and semi-processed fruits and vegetables	VND 100/US\$
6.	Teas of all kinds	VND 220/US\$
7.	Peanut	VND 100/US\$

Number	Product	Bonus level
8.	Pepper	VND 100/US\$
9.	Cashew nut (excluding unprocessed cashew nut)	VND 100/US\$
10.	Handicrafts	VND 100/US\$
11.	Rattan and bamboo ware	VND 100/US\$
12.	Plastic products	VND 100/US\$
13.	Mechanical products	VND 100/US\$

7. Duration of the subsidy and/or any other time limit attached to it

From 2001 -

8. Statistic data permitting an assessment of the trade effects of the subsidy

As mentioned in above tables.

IX. EXPORT SUPPORTING CREDIT (UPDATING OF PROGRAM VIII DOCUMENT WT/ACC/VNM/13/ADD.1)

1. Title of the subsidy program

Export support credit.

2. Policy objectives and/or purposes of the subsidy

To support enterprises, economic organizations and individuals to develop trade and production of export commodities according to the state's export promotion policy.

3. Background and authority for the subsidy

a. Basis

- Decree No.50/1999/ND-CP dated 8 July 1999 of the Government on the organization and functions of Development Assistance Fund;
- Decision No.133/2001/QĐ-TTg dated 10 September 2001 of the Prime Minister on the issuance of Regulation on Export Supporting Credit and related guiding legal documents.

b. Authority

The Development Assistance Fund.

4. Form of the subsidy

Medium and long-term export support credit including:

- Medium and long-term investment loans;
- Post-investment interest rate support;
- Investment credit guarantees.

Short-term export supporting credit:

- Loans
- Bidding guarantee and contractual performance guarantee.

5. To whom and how the subsidy is provided

Beneficiaries: enterprises of all economic sectors; cooperatives; union of cooperatives; households and individuals having Business Registration Certificates (hereinafter called "entities").

a. Medium and long-term loans:

- Beneficiaries: entities implementing projects or contributing capital to projects producing, manufacturing and processing export-oriented commodities.

- The loans' interest rates are applied according to those of development investment loans from the state;
- The maximum period of loans are 10 years; in special cases the period may be extended.

b. After-investment interest rate support

- Beneficiaries: entities implementing the projects mentioned in subsection (a) above which have not been provided preferential investment loans or investment credit guarantees by the state and have borrowed capital from credit institutions operating legally in Viet Nam;
- The amount of the post-investment interest rate support is the difference between the interest rate of credit institutions and that of the development investment loan borrowed from the state at the time of borrowing.

c. Investment credit guarantee

- Beneficiaries: entities implementing projects mentioned in subsection (a) above when borrowing capital from credit institutions legally operating in Viet Nam;
- Guarantee conditions: entities entitled to investment credit guarantee according to general regulations which have not been fully or partially provided with development investment loan by the state. Entities being provided investment credit guarantee have to pay a guarantee fee of 3% of the guaranteed amount per year.
- The guaranteed amount for each project is determined by the Development Assistance Fund and shall not be higher than 100% of the capital borrowed from credit institutions within the scope of total investment capital.

d. Short-term loan

Beneficiaries:

- Entities producing, processing, trading and exporting commodities under the export promotion and priority program determined annually or periodically by the Prime Minister (commodities in 2001: rice, coffee, pork, canned fruits and vegetables; commodities in 2002: rice, coffee, pork, canned fruits and vegetables, tea, peanuts, pepper, cashew nuts, handicrafts, rattan and bamboo ware, plastic and mechanical products).
- Entities exporting to new markets or exporting for maintaining traditional markets.
- Entities implementing projects mentioned in subsection (a) above in the first year of signing export contract since the projects have been completed and put into production.

Loan amount:

- Loan before delivery: the loan amount does not exceed 80% of L/C value or 70% of export contract value.

- Loan after delivery: the loan amount does not exceed 90% of the value of valid bill of exchange.

Short-term interest rate is equivalent to 80% of interest rate of the development investment loan from the state at the time of signing loan contract and is kept constant during the loan period.

Short-term loan period depends on the time required to implement export contract but shall not be longer than 12 months.

6. Subsidy per unit, or in case where this is not possible, the total amount or the annual amount budgeted for the subsidy

Total amount of short-term loans for export support is VND 140,360 million in 2001, VND 3,005,998 million in 2002.

7. Duration of the subsidy and/or any other time limit attached to it

From 25 September 2001

8. Statistic data permitting an assessment of the trade effects of the subsidy

Not assessable.

X. TRADE PROMOTION SUPPORT (NEW)

1. Title of the subsidy program

Support for market development and trade promotion activities .

2. Policy objectives and/or purposes of the subsidy

To enhance market development and trade promotion activities for export.

3. Background and authority for the subsidy

a. Background

- Resolution No.05/2001/ND-CP dated 24 May 2001 of the Government on supplementing some solutions to administer the economic plan for the year 2001;
- Circular No.61/2001/TT-BTC dated 1 August 2001 of the Ministry of Finance guiding the allocation of supporting amount for market development and trade promotion activities.

b. Authorities

- Ministry of Trade;
- Ministry of Finance.

4. Form of the subsidy

Partial support for the expenditures arisen out of trade promotion activities (granted by Export Promotion Fund).

5. To whom and how the subsidy is provided

- Beneficiaries: enterprises of all economic sectors conducting export activities are eligible to this program. Professional and sectoral associations bringing export contracts to their member entities through trade promotion activities are also eligible to this program by transferring the supporting amounts from member entities.
- Supporting amount for trade promotion activities
 - With respect to trade promotion expenditures for collecting information on export markets, customers and products; for export market surveys; for consultancy fees for exporting products: the supporting amount is determined as 0,2% of export volume (FOB price), but must not exceed 50% of actual expenditures for these activities of an enterprise;
 - With respect to expenditures for organizing stalls in trade fairs and exhibitions held abroad: the supporting amount is determined as 0,2% of export volume (FOB price), but must not exceed 70% of actual expenditures for these activities of an enterprise;
 - With respect to trade promotion expenditures of opening Viet Nam Trade Promotion Centers abroad; opening Representative Offices of Vietnamese

enterprises and professional and sectoral associations abroad: enterprises are entitled for a supporting amount of not higher than 50% initial investment costs from the state. The supporting amount is determined as 0.1% of export volume (FOB price), but shall not be higher than 70% of actual expenditures for these activities of an enterprise.

- Source of support: support for market development and trade promotion activities are granted by the Export Promotion Fund.

6. Subsidy per unit, or in case where this is not possible, the total amount or the annual amount budgeted for the subsidy

Data not available.

7. Duration of the subsidy and/or any other time limit attached to it

From 1 January 2001

8. Statistic data permitting an assessment of the trade effects of the subsidy

Not assessable.

XI. SUPPORT FOR MECHANICAL PRODUCTS (NEW)

1. Title of the subsidy program

Support for mechanical products.

2. Policy objectives and/or purposes of the subsidy

To facilitate the development of mechanical industry.

3. Background and authority for the subsidy

a. Background

- Decision No.67/2000/QD-BCN dated 20 November 2000 promulgating the list of mechanical products subject to investment incentives stipulated in Article 5.1 of the Resolution No.11/2000/NQ-CP dated 31 July 2000 of the Government.
- Resolution No.05/2001/ND-CP dated 24 May 2001 of the Government on supplementing some solutions to manage the economic plan for the year 2001;

b. Authorities

- Ministry of Industry;
- Ministry of Finance;
- Development Assistance Fund.

4. Form of the subsidy

Preferential credit terms.

5. To whom and how the subsidy is provided

- Beneficiaries: investment projects manufacturing mechanical products.
- How the subsidy is provided: investors of the above-mentioned projects signing contract for borrowing the state development investment loans from the Development Assistance Fund since 5 December 2000 are entitled to special preferential interest rate of 3.5%/year (equal to 50% of normal interest rate) for the loans distributed before 1 June 2001 and 3%/year for those distributed since 1 June 2001. The credit duration is 12 years. The investors do not have to pay interest for the first two years and shall pay their debt since the fifth year of the loan.

6. Subsidy per unit, or in case where this is not possible, the total amount or the annual amount budgeted for the subsidy

Number of projects: 9

Value of loan contracts signed: VND 239.447 billion.

7. Duration of the subsidy and/or any other time limit attached to it

From 2001 -

8. Statistic data permitting an assessment of the trade effects of the subsidy

Negligible.

XII. SUPPORT FOR INVESTMENT PROJECTS IN MANUFACTURING ENGINE OF TWO-WHEEL MOTORBIKE (NEW)

1. Title of the subsidy program

Support for investment projects in manufacturing engine of two-wheel motorbike.

2. Policy objectives and/or purposes of the subsidy

To develop motorbike industry in particular and mechanical industry in general.

3. Background and authority for the subsidy

a. Background

- Decree No.43/1999/ND-CP dated 29 June 1999 of the Government on the state development investment credits;
- Circular No.102/2001/TT-BTC dated 20 December 2001 guiding the implementation of borrowing development investment loans for investment projects in manufacturing two-wheel motorbike's engine;
- Decision No.38/2002/QD-TTg dated 14/3/2002 of the Prime Minister on administration of manufacturing, assembling and importing parts of two-wheel motorbike;

b. Authority

Ministry of Industry.

4. Form of the subsidy

Preferential credit terms.

5. To whom and how the subsidy is provided

- Beneficiaries: investment projects in manufacturing engine of complete two-wheel motorbike by enterprises of all economic sectors. These projects must achieve localization ratio of at least 40% with respect to parts and accessories used in manufacturing engine of two-wheel motorbike since the first year of operation. The localization ratio must increase 10% in every subsequent year and be determined by the Ministry of Industry according to relevant regulations.
- The amount of loan for each project is equal to 70% of total investment capital.
- Special interest rate is applied (3%/year) and borrowers are exempted from interest rate payment in the first two year.
- Loan duration is determined according to relevant production cycle and capital return capability of approved projects, but not longer than 10 years.

6. Subsidy per unit, or in case where this is not possible, the total amount or the annual amount budgeted for the subsidy

Data not available.

7. Duration of the subsidy and/or any other time limit attached to it

From 5 January 2002 to 31 December 2002

(This program is not applied from 1 January 2003)

8. Statistic data permitting an assessment of the trade effects of the subsidy

Negligible.

XIII. SUPPORT FOR THE SHIP-BUILDING INDUSTRY (NEW)

1. Title of the subsidy program

Support for the ship-building industry.

2. Policy objectives and/or purposes of the subsidy

To encourage and facilitate the maritime ship-building industry.

3. Background and authority for the subsidy

a. Background

- Decision No.117/2000/QD-TTg dated 10 October 2000 of the Prime Minister;
- Resolution No.05/2001/ND-CP dated 24 May 2001 of the Government on supplementing some solutions to manage the economic plan for the year 2001.

b. Authority

Ministry of Transport.

4. Form of the subsidy

- Preferential credit terms;
- Tax incentive.

5. To whom and how the subsidy is provided

- Investors signing contract for borrowing development investment loans from the State to invest in projects of upgrading, expanding, constructing ship-building facility since 25 October 2000 enjoy preferential interest rate of 3.5%/year for the loans disbursed before 1 June 2001 and 3%/year for those disbursed since 1 June 2001.
- Investors purchasing new ships by the State development investment loans under the credit contracts signed by domestic ship-building entities since 25 October 2000 are entitled to preferential interest rate of 5%/year for loans disbursed before 1 June 2001 and 3%/year for loans disbursed since 1 June 2001.
- Import duty for machinery, equipment, means of transportation (of the technological line) to establish fixed assets of an enterprise and raw material, semi-products used in ship-building process is exempted.
- Corporate income tax is exempted for the first two years from the time of having taxable income and is reduced by 50% of the tax payable for the 2 subsequent years.

6. Subsidy per unit, or in case where this is not possible, the total amount or the annual amount budgeted for the subsidy

Data not available.

7. Duration of the subsidy and/or any other time limit attached to it

From 25 October 2000

8. Statistic data permitting an assessment of the trade effects of the subsidy

Negligible.

XIV. ASSISTANCE FOR TRADE DEVELOPMENT IN MOUNTAINOUS, ISLAND AND ETHNIC MINORITY AREAS (NEW)

1. Title of the subsidy program

Interest rate is reduced for the loans provided for merchants in the mountainous, island and ethnic minority areas.

2. Policy objectives and/or purposes of the subsidy

To develop the mountainous, island and ethnic minority areas.

3. Background and authority for the subsidy

a. Background

- Decision No.02/2002/ND-CP dated 3 January 2002 of the Government on amending and supplementing several Articles of Decree No.20/1998/ND-CP dated 31 March 1998 of the Government on trade development in the mountainous, island and ethnic minority areas;
- Circular No.04/2002/TT-NHNN dated 3 July 2002 of the State Bank of Viet Nam guiding the implementation of reduction of loan interest rate for merchants in mountainous, island and ethnic minority areas as stipulated in Decree No.02/2002/ND-CP dated 3 January 2002 of the Government.

b. Authority

- State Bank of Viet Nam;
- State-owned commercial banks.

4. Form of the subsidy

Reduction of loan interest rate granted by state-owned commercial banks.

5. To whom and how the subsidy is provided

Beneficiaries: merchants including individuals, cooperatives and households having Business Registration Certificates and doing business on a regular and independent basis:

- with head office or branch(es) in the mountainous, island and ethnic minority areas;
- whose business activities are instructed by and amount, value, period of warehousing and retailing essential goods are certified by people's committees of provinces and cities under central authority. The amount and value of agricultural and forestry products purchased in the mountainous, island and ethnic minority areas must be certified by people's committees at district and town levels.

Interest rate reduction granted by state-owned commercial banks is compensated from the state budget.

6. Subsidy per unit, or in case where this is not possible, the total amount or the annual amount budgeted for the subsidy

Data not available.

7. Duration of the subsidy and/or any other time limit attached to it

From 18 January 2002

8. Statistic data permitting an assessment of the trade effects of the subsidy

Negligible.

XV. ASSISTANCE TO ENTERPRISES FACING DIFFICULTIES DUE TO OBJECTIVE REASONS (NEW)

1. Title of the subsidy program

Assistance to enterprises facing difficulties due to objective reasons.

2. Policy objectives and/or purposes of the subsidy

To assist enterprises facing difficulties due to objective reasons to recover trade and production capacity.

3. Background and authority for the subsidy

a. Background

- Decree No.69/2002/ND-CP dated 12 July 2002 of the Government on managing and settling outstanding debts of state-own enterprises.
- Decision No.172/2001/QD-TTg dated 5 November 2001 of the Prime Minister on postponement, freezing and forgiveness of tax and other dues payable to the state budget for enterprises facing difficulties due to objective reasons;
- Circular No.32/2002/TT-BTC dated 10 April 2002 guiding the implementation of Decision No.172/2001/QD-TTg dated 5 October 2001 of the Prime Minister on postponement, freezing and forgiveness of tax and other dues payable to the state budget for enterprises facing difficulties due to objective reasons;

b. Authority

Ministry of Finance.

4. Form of the subsidy

Postponement, freezing and forgiveness of tax and other dues to the state budget.

5. To whom and how the subsidy is provided

Eligible beneficiaries for settlement of payable tax and other dues to the state budget include: enterprises established and operated under the Law on state-own enterprise, Law on Enterprises, Law on Foreign Investment in Viet Nam (hereinafter called "enterprises"); organisations and individuals other than the above (excluding the farmers subject to the regulations on agricultural land use tax) currently doing business, who owe tax and other dues to the state budget because of objective reasons.

Outstanding tax and other dues to the state budget to be settled include: turnover tax, value added tax, excise tax, export and import tax, land tax, income tax, corporate income tax, royalty, tax on agricultural land use, the value of land use right, land use rental, fees for using state budget capital, basic depreciation, fees and charges belonging to the state budget, fines on the above-mentioned amounts overdue to the state budget.

a. Postponement of payable tax and other dues to the state budget:

Beneficiaries: enterprises owing tax and other dues to the state budget are not able to make that payment in time due to the following objective reasons:

- Policy change in terms of taxation and other dues to the state budget, for example: the Government increases tax rate and other dues to the state budget, therefore directly affects enterprises' business activity, and consequently causes debts to these enterprises.
- Relocation of enterprises upon request of competent authorities, which forces them to cease or reduce trade and production scale, to increase investment costs in new location, and consequently causes tax debt to these enterprises.
- Restructure of trade and production activities, change in business sector, production of new products in replacement of old products, together with difficulties in the beginning stage, result in loss and tax debt.
- Loss due to natural disaster, which directly affects enterprises' business activity and results in tax debt.

The duration of postponement in the above circumstances are determined as follows:

- 6 months with respect to enterprises owing tax due to policy change in terms of taxation and other dues to the state budget; an extension of another 6 months may be considered;
- 12 months with respect to enterprises owing tax due to relocation, restructure of trade and production activities and natural disaster.

Enterprises producing and trading goods and providing services which have not received the capital that should have been granted from the state budget, consequently are not able to pay tax and other dues to the state budget.

Enterprises exporting goods for foreign debt payment as instructed by the Government, which have not received the payment that should have been provided by the Government, consequently are not able to pay tax and other dues to the state budget.

b. Freezing of outstanding tax and other dues to the state budget:

Eligibility: enterprises having outstanding tax and other dues to the state budget, which are not able to make that payment due to their nearly bankrupt or dissolved situation, are considered to be frozen from these outstanding tax and other dues. The duration of freezing is determined between the date of debt confirmation and the date of bankruptcy or dissolution.

c. Forgiveness of outstanding tax and other dues to the state budget:

Outstanding tax and other dues to the state budget with respect to state-own enterprises under the process of transfer, equitization or merger into another state-own enterprises are forgiven.

Outstanding tax and other dues to the state budget with respect to state-own enterprises which suffer loss due to objective reasons and are not able to pay that debt.

- 6. Subsidy per unit, or in case where this is not possible, the total amount or the annual amount budgeted for the subsidy**

Data not available.

- 7. Duration of the subsidy and/or any other time limit attached to it**

From 21 January 2001

- 8. Statistic data permitting an assessment of the trade effects of the subsidy**

Negligible.

**XVI. INVESTMENT INCENTIVES FOR SCIENCE AND TECHNOLOGY PROJECTS
(UPDATING PROGRAM XIV, DOCUMENT WT/ACC/VNM/13/ADD.1)**

1. Title of the subsidy program

Investment incentives for science and technology projects.

2. Policy objectives and/or purposes of the subsidy

To encourage enterprises to invest in science and technology projects with a view to upgrading and improving technology, improving product quality and production efficiency.

3. Background and authority for the subsidy

a. Background

Decree No.119/1999/ND-CP dated 18 September 1999 of the Government on several financial policies and measures to encourage enterprises to invest in science and technology projects;

b. Authorities

Ministry of Finance;

Ministry of Science and Technology.

4. Form of the subsidy

- Tax incentives;
- Land use incentives;
- Credit incentives.

5. To whom and how the subsidy is provided

a. Eligibility:

Enterprises of all economic sectors investing in science and technology projects.

b. How the subsidy is provided:

- Exemption, reduction of corporate income tax:
 - Enterprises operating under the Law on Domestic Investment Promotion (as amended) which apply high technology or provide scientific and technological services enjoy corporate income tax rates for the income earned from these activities as follows:
 - 25%;
 - 20% with respect to enterprises investing in areas of difficult socio-economic conditions;

- 15% with respect to enterprises investing in areas of specially difficult socio-economic conditions.
- Enterprises with foreign-owned capital and foreign parties to business co-operation contracts operating under the Law on Foreign Investment in Viet Nam, which implement investment projects in application and development of high technology, providing scientific and technological services are entitled to enjoy corporate income tax rates of 20% for the period of 10 years since the time of commencing production and business.
- Incentives on land use payment, land rental, land use tax:
 - In case that enterprises have to pay the value of land use right for the allocated land:
 - The land use payment is reduced by 50%;
 - The land use payment is exempted if the allocated land is in areas of difficult socio-economic conditions or specially difficult socio-economic conditions.
 - In case that enterprises have to pay land rental for the leased land:
 - The land rental is exempted for 6 years from the time of signing land lease contract;
 - The land rental is exempted for 15 years from the time of signing of land lease contract if the leased land is in areas of difficult socio-economic conditions;
 - The land rental is exempted throughout the duration of investment project if the leased land is in areas of specially difficult socio-economic conditions.
 - In case that enterprises have to pay land use tax for the allocated land:
 - The land use tax is exempted for 6 years from the time of land allocation;
 - The land use tax is exempted for 15 years from the time of land allocation if the allocated land is in areas of difficult socio-economic conditions;
 - The land use tax is exempted throughout the duration of investment project if the leased land is in areas of specially difficult socio-economic conditions.
- Import duty incentives: exemption of import duty on imported machinery, equipment, materials, scientific and technological equipment with automatic control devices, experimental samples, measurement and experimental devices directly used in R&D projects and contracts.

- Credit incentives:
 - Enterprises operating under the Law on Domestic Investment Promotion (as amended) can borrow medium and long-term loans which can satisfy up to 70% of their projects' investment capital at preferential interest rate from the Development Assistance Fund, Export Promotion Fund and Science and Technology Development Assistance Fund.
 - In case that an enterprise has been guaranteed by the Development Assistance Fund to borrow medium and long term loans at the Bank for Investment and Development, it will be refunded an amount equal to the difference between the preferential interest rate and the normal borrowing rate by the Development Assistance Fund.

6. Subsidy per unit, or in case where this is not possible, the total amount or the annual amount budgeted for the subsidy

Data not available.

7. Duration of the subsidy and/or any other time limit attached to it

From 1999 -

8. Statistic data permitting an assessment of the trade effects of the subsidy

Negligible.

ANNEX I

List of business fields and sectors eligible for investment incentives

(issued together with Decree No 35/2002/ND-CP dated 29 March 2002)

Investment projects in branches and trades of the following domains shall be eligible for preferences:

1. Afforestation and zoning for forest regeneration; planting of perennial trees on abandoned land, waste land or bare hills; virgin land reclamation; salt-making; aquaculture in unexploited water areas:

1. Planting and protecting forests;
2. Planting perennial industrial and fruit trees abandoned and bare hills;
3. Reclaiming land for agricultural, forestry and fishery production.
4. Making, exploiting and refining salt;
5. Raising aquatic creatures in water areas which have yet to be exploited;

II. Infrastructure construction, development of public transportation; development of education and training, health care and national culture

1. Building new electric power plants; power distribution and transmission networks, building establishments operated by solar energy, wind power or bio-gas;
2. Building water plants and water supply system for daily usage and industrial purpose, and building the discharge systems;
3. Building and upgrading such transport system as: bridges, roads, airports, harbors, railway and bus stations, building new railways;
4. Building living infrastructure for densely populated areas in regions belonging to Category B or C annexed to this Decree;
5. Developing public transportation: more investment into railway transport means, road transport vehicles (cars from 17 seats or above), water-way transport (by motored means);
6. Providing Internet connection and access services and Internet application services in regions belonging to Category B or C annexed to this Decree, postal and carrier services;
7. Opening semi-public, people-funded schools and private schools at different levels: pre-school education, primary education, junior and senior high education. professional secondary education, college and tertiary education;
8. Setting up vocational training establishments and establishments for raising workers' skills.

9. Setting up national culture houses, music and arts troupes; producing, manufacturing or repairing national musical instruments, maintaining and preserving national cultural houses;
10. Setting up people-funded and private medical establishments for medical examination and treatment, setting up establishments for the prevention and treatment of diseases, setting up centers for relieving and providing health care for orphanage, elderly and disadvantaged people;

III. Export goods production and trading

Enterprises producing and trading goods with an export turnover exceeding 30% of that of the goods produced and/or traded by the enterprises in a fiscal year.

IV. Offshore fishing, processing of agricultural, forest and aquatic products; technical services directly for agricultural, forestry and fishery production.

1. Offshore fishing;
2. Processing of agricultural products from domestic materials: processing poultry and cattle products; processing and preserving fruit and vegetables; producing oil, essential oil and fat from plants; producing milk and milk derivatives; producing raw powder; producing food for cattle, poultry and aquatic creatures; producing canned and bottled juice.
3. Producing pulp, paper, carton and board directly from domestic sources of agricultural and forestry materials.
4. Processing and preserving fishery products from domestic sources of materials.
5. Providing supporting services for the cultivation of agricultural, industrial and forestry plants; providing supporting services for breeding; providing preservation services for agricultural, forestry and fishery products; building stores for preserving agricultural, forestry and fishery products.

V. Scientific, technological research and development as well as services; consultancy on legal matters, investment, business, business administration, intellectual property right protection and technology transfer:

1. Setting up technical establishments, laboratory centers for applying new technology to production; producing new and scarce materials.
2. Producing computers and computer software.
3. Providing such services as research on information technologies, training human resources for information technologies.
4. Producing semi-conducting materials, electronic components; producing telecommunication and Internet equipments; applying new technologies in the production of information and telecommunication equipments.
5. Applying modern technologies; applying new bio-technologies in the health-care sector, in the production of plant seeds, animal breeds, bio-fertilizer, bio-pesticide,

animal vaccine; investing in the areas of waste treatment, environment pollution, waste recycle.

6. Applying technologies to using or producing machinery and equipment consuming wind power, solar, earth, tide or biological energy.
7. Providing consultancy service on legal matters, investment, trade, business administration, science and technology, Intellectual property right and technology transfer.

VI. Investment in the establishment of production chains, business/production expansion and technology renovation; ecological and environmental improvement and sanitation in urban areas; relocation of production establishments out of urban areas; diversification of branches, trades and products.

1. Investing new production lines, increasing production scales, or improve technologies applied to branches and trades belonging to sectors stipulated in this Annex.
2. Investing in waste treatment systems for the purpose of protecting the environment; waste collection.
3. Investing in relocating production establishments away from urban areas or into industrial parks, export-processing zones, high-tech or industrial complexes.

VII. Other branches and trades which need to be developed with priority

1. Planting sugar-cane, cotton, tea, to supply input for the processing industry; planting medical herbs; producing plant seeds and animal breeds.
2. Producing toys for children; fabric weaving and completing woven products; producing silk and fiber of all types; leather tanning and processing.
3. Raising cattle, poultry and aquatic farming according to plans for shifting agricultural production structure with farming scale and above.
4. Producing basic chemicals, refined chemicals, specialized chemicals, dying substance.
5. Producing medicines for treatment of human diseases; medical equipment, orthopedic equipment; specialized tools and vehicles for disadvantaged people; building medicine stores; storing medicines for human treatment in case of flood, storm, natural disaster, or fatal diseases; medicines for plant protection; medicine for the prevention and treatment of diseases related to animals and aquatic creatures.
6. Manufacturing electric tools of medium and high voltage; diesel engines; equipment and spare parts for transport and fishing ships; tools-making machines, machinery, equipment and spare parts for agricultural and forestry production; food processing machinery; machinery for the garment and textile industry; machinery for leather processing; mining machinery; construction machinery; industrial robots; locomotives and carriages; automobiles of all types and automobiles spare parts; electric generators; precision mechanical equipment; equipment and machinery for safety inspection and supervision of industrial production processes; prototypes for

the production of metal and non-metal products; building and repairing ships and boats; producing waste treatment equipment.

7. Producing high standard steel, alloy, non-ferrous metals, scarce metals, spongy iron for industrial uses; specialized cements, materials specialized for isolating sound, electricity and temperature, synthetic materials as replacement for wood, plastic used for construction, glass fiber, flame-resistant materials; coke coal, activated carbon.
8. Traditional handicrafts: carving, mother-of-pearl inlaying, lacquer ware, intaglio, bamboo and rattan products, carpet making, silk weaving, pottery, ceramics, wickerwork, bronze casting and rhamnoneuron paper making;
9. Building 1st class markets and exhibition centers; investing in trade promotion activities, capital lending and mobilizing of People's Credit Funds.
10. Providing rescuing and pilotage services
11. Investing national tourist resources, ecological tourist resource, national parks; investing in building cultural parks with a full range of sports and recreation activities.
12. Investing in the construction and business of infrastructure of industrial parks, export-processing zones and hi-tech parks; investing in production and processing activities in industrial parks, export-processing zones and hi-tech parks, industrial parks of small and medium scale, industrial complexes.

ANNEX II

List of areas of socio-economic disadvantages

(issued together with Decree No. 35/2002/NĐ-CP dated 29 March 2002)

I. Districts in highly mountainous provinces

1. Bac Kan Province
Bac Kan town
2. Cao Bang Province
1Cao Bang town
3. Ha Giang Province
Bac Quang district
Ha Giang town
4. Lai Chau Province
Dien Bien Phu town
Dien Bien district
Lai Chau town
5. Lao Cai Province
Bao Thang district
Cam Duong town
Lao Cai town
6. Son La Province
Mai Son district
Son La town
Yen Chau district

II. Districts in mountainous and plain areas

7. Bac Giang Province
Luc Ngan district
Luc Nam district
Yen The district
8. Hoa Binh Province
Kim Boi district
Ky Son district
Lac Son district
Luong Son district
Lac Thuy district

Tan Lac district
Yen Thuy district
Cao Phong district

9. Lang Son Province

Bac Son district
Cao Loc district
Chi Lang district
Huu Lung district
Loc Binh district
Trang Dinh district
Van Lang district
Van Quan district

10. Phu Tho Province

Doan Hung district
Ha Hoa district
Song Thao district
Thanh Ba district
Tam Thanh district
Phu Ninh district

11. Quang Ninh Province

Hoanh Bo district
Hai Ninh district
Tien Yen district
Van Don district
Hai Ha district
Dam Ha district

12. Tuyen Quang Province

Ham Yen district
Son Duong district
Yen Son district
Tuyen Quang town

13. Thai Nguyen Province

Dong Hy district
Dai Tu district
Dinh Hoa district
Phu Luong district

14. Yen Bai Province

Tran Yen district
Van Yen district
Van Chan district

- Yen Binh district
Nghia Lo town
- 15. Binh Phuoc Province
 - Dong Phu district
 - Phuoc Long district
 - Binh Long district
- 16. Dac Lak Province
 - Cu Jut district
 - Cu M'gar district
 - Dak R'Lap district
 - Dak Mil district
 - Ea H'leo district
 - Ea Kar district
 - Ea Sup district
 - Krong Pac district
 - Krong Buk district
 - Krong Bong district
 - Krong Ana district
 - Krong Nang district
- 17. Gia Lai Province
 - An Khe district
 - Ayun Pa district
 - Chu Se district
- 18. Kon Tum Province
 - Kon Tum town
- 19. Lam Dong Province
 - Bao Lam district
 - Cat Tien district
 - Di Linh district
 - Da Teh district
 - Don Duong district
 - Duc Trong district
 - Da Huoi district
 - Lam Ha district
- 20. Binh Thuan Province
 - Bac Binh district
 - Duc Linh district
 - Ham Thuan Bac district
 - Tanh Linh district
 - Ham Thuan Nam district

21. Binh Dinh Province
Hoai An district
Phu My district
Phu Cat district
Tay Son district
22. Hai Duong Province
Chi Linh district
Kinh Mon district
23. Ha Tinh Province
Huong Khe district
Huong Son district
Ky Anh district
Nghie Xuan district
24. Ninh Binh Province
Tam Diep town
Nho Quan district
Yen Mo district
25. Nghe An Province
Anh Son district
Nghia Dan district
Tan Ky district
Thanh Chuong district
26. Ninh Thuan Province
Ninh Hai district
Ninh Phuoc district
27. Phu Yen Province
Song Cau district
Tuy Hoa district
Tuy An district
28. Quang Tri Province
Dak Rong district
Vinh Linh district
Gio Linh district
Cam Lo district
Trieu Phong district
Hai Lang district

29. Quang Nam Province
 - Dai Loc district
 - Que Son district
30. Quang Ngai Province
 - Nghia Hanh district
 - Son Tinh district
31. Thanh Hoa Province
 - Thach Thanh district
 - Quang Dien district
 - Phong Dien district
 - Huong Tra district
 - Phu Loc district
 - Phu Vang district
32. Thua Thien Hue Province
 - Nam Dong district
33. An Giang Province
 - An Phu district
 - Tri Ton district
 - Tinh Bien district
 - Thoai Son district
34. Bac Lieu Province
 - Bac Lieu town
 - Vinh Loi district
35. Ca Mau Province
 - Thoi Binh district
 - Tran Van Thoi district
 - Cai Nuoc district
 - Dam Doi district
 - Ngoc Hien district
36. Dong Nai Province
 - Dinh Quan district
 - Tan Phu district
 - Xuan Loc district
 - Long Khanh district

37. Kien Giang Province
- Chau Thanh district
 - Hon Dat district
 - Giong Rieng district
 - An Minh district
 - Tan Hiep district
 - Ha Tien town
 - Kien Luong district
38. Khanh Hoa Province
- Van Ninh district
 - Cam Ranh district
 - Dien Khanh district
39. Soc Trang Province
- Long Phu district
 - My Xuyen district
 - Soc Trang town
40. Tra Vinh Province
- Cau Ngang district
 - Cau Ke district
 - Tieu Can district
41. Vinh Phuc Province
- Lap Thach district
 - Tam Duong district
 - Binh Xuyen district
42. Can Tho Province
- Long My district
 - Vi Thuy district
 - O Mon district
43. Tay Ninh Province
- Tan Bien district
 - Tan Chau district
 - Chau Thanh district
 - Ben Cau district
44. Thai Binh Province
- Thai Thuy district

45. Long An Province
 - Duc Hue district
 - Tan Hung district
 - Vinh Hung district
 - Moc Hoa district
 - Tan Thanh district
 - Duc Hoa district
46. Dong Thap Province
 - Hong Ngu district
 - Tan Hong district
 - Tam Nong district
 - Thap Muoi district
47. Tien Giang Province
 - Tan Phuoc district
48. Quang Binh Province
 - Quang Ninh district
 - Le Thuy district
 - Bo Trach district
 - Quang Trach district
49. Ba Ria – Vung Tau Province
 - Chau Duc district
 - Xuyen Moc district
50. Vinh Long Province
 - Tra On district
 - Tam Binh district
 - Binh Minh district
51. Ha Noi
 - Soc Son district
52. Ho Chi Minh City
 - Can Gio district
 - Nha Be district
53. Ben Tre Province
 - Thanh Phu district
 - Ba Tri district
 - Binh Dai district

- 54. Bac Ninh Province
 - Gia Binh district
 - Que Vo
- 55. Ha Tay Province
 - Ba Vi district
- 56. Da Nang City
 - Hoa Vang district
- 57. Ha Nam Province
 - Thanh Liem district
- 58. Hung Yen Province
 - An Thi district
 - Phu Cu district
 - Tien Lu district
- 59. Binh Duong Province
 - Phu Giao district

ANNEX III

List of areas of socio-economic harsh conditions

(issued together with Decree No. 35/2002/ND-CP dated 29 March 2002)

I. Districts in highly mountainous and islands areas

1. Bac Kan Province
 - Ba Be district
 - Bach Thong district
 - Cho Moi district
 - Cho Don district
 - Ngan Son district
 - Na Ri district
2. Cao Bang Province
 - Bao Lac district
 - Ha Lang district
 - Ha Quang district
 - Hoa An district
 - Nguyen Binh district
 - Quang Uyen district
 - Thong Nong district
 - Tra Linh district
 - Thach An district
 - Trung Khanh district
 - Phuc Hoa district
3. Ha Giang Province
 - Bac Me district
 - Dong Van district
 - Hoang Su Phi district
 - Meo Vac district
 - Quan Ba district
 - Vi Xuyen district
 - Xin Man district
 - Yen Minh district
4. Lai Chau Province
 - Muong Lay district
 - Muong Te district
 - Phong Tho district
 - Tua Chua district
 - Tuan Giao district
 - Sin Ho district
 - Dien Bien Dong district
 - Muong Nhe district
 - Tam Duong district

5. Lao Cai Province
 - Bac Ha district
 - Bat Sat district
 - Muong Khuong district
 - Than Uyen district
 - Van Ban district
 - Sa Pa district
 - Bao Yen district
6. Son La Province
 - Bac Yen district
 - Moc Chau district
 - Muong La district
 - Quynh Nhai district
 - Thuan Chau district
 - Song Ma district
 - Phu Yen district
7. Binh Thuan Province
 - Phu Quy district
8. Ba Ria – Vung Tau Province
 - Con Dao district
9. Da Nang City
 - Hoang Sa island district
10. Hai Phong City
 - Bach Long Vi district
 - Cat Hai district
11. Khanh Hoa Province
 - Truong Sa district
12. Kien Giang Province
 - Kien Hai district
 - Phu Quoc district
13. Quang Ninh Province
 - Co To district
14. Quang Ngai Province
 - Ly Son district

II. Districts in mountainous and plain areas

1. Bac Giang Province
Son Dong district
2. Hoa Binh Province
Da Bac district
Mai Chau district
3. Lang Son Province
Binh Gia district
Dinh Lap district
4. Phu Tho Province
Thanh Son district
Yen Lap district
5. Quang Ninh Province
Ba Che district
Binh Lieu district
6. Tuyen Quang Province
Chiem Hoa district
Na Hang district
7. Thai Nguyen Province
Vo Nhai district
8. Yen Bai Province
Luc Yen district
Mu Cang Chai district
Tram Tau district
9. Dak Lak Province
Dak Nong district
Krong No district
Krong Bong district
Lak district
Buon Don district
M'Drak district
Ea Sup district
Dak Song district

10. Gia Lai Province
 - Duc Co district
 - K Bang district
 - Krong Pa district
 - Kon Chro district
 - Mang Yang district
 - Ia Grai district
 - Chu Prong district
 - Chu Pah district.
11. Kon Tum Province
 - Dak To district
 - Dak Glei district
 - Kon Plong district
 - Sa Thay district
 - §ak Ha district
 - Ngoc Hoi district
 - Kon Ray district.
12. Lam Dong Province
 - Lac Duong district
13. Kien Giang Province
 - An Bien district
 - Go Quao district
 - Vinh Thuan district
14. Soc Trang Province
 - My Tu district
 - Thanh Tri district
 - Vinh Chau district
 - Cu Lao Dung district
15. Tra Vinh Province
 - Chau Thanh district
 - Tra Cu district
16. Binh Dinh Province
 - An Lao district
 - Vinh Thanh district
 - Van Canh district

17. Khanh Hoa Province
Khanh Vinh district
Khanh Son district
18. Ninh Thuan Province
Ninh Son district
19. Ba Ria-Vung Tau Province
Tan Thanh district
20. Bac Lieu Province
Hong Dan district
21. Binh Phuoc Province
Bu Dang district
Loc Ninh district
22. Ca Mau Province
U Minh district
23. Thanh Hoa Province
Quan Hoa district
Ba Thuoc district
Lang Chanh district
Thuong Xuan district
Quan Son district
Muong Lat district
Nhu Xuan district
Ngoc Lac district
Cam Thuy district
Nhu Thanh district
24. Nghe An Province
Ky Son district
Tuong Duong district
Con Cuong district
Que Phong district
Quy Hop district
Quy Chau district
25. Quang Binh Province
Minh Hoa district
Tuyen Hoa district

- 26. Quang Tri Province
 - Huong Hoa district
- 27. Thua Thien – Hue Province
 - A Luoi district
- 28. Quang Nam Province
 - Hien district
 - Giang district
 - Phuoc Son district
 - Tra My district
 - Hiep Duc district
 - Tien Phuoc district
 - Nui Thanh district
- 29. Quang Ngai Province
 - Ba To district
 - Tra Bong district
 - Son Tay district
 - Son Ha district
 - Minh Long district
 - Binh Son district
- 30. Phu Yen Province
 - Son Hoa district
 - Song Hinh
 - Dong Xuan

ANNEX IV

LIST OF SPECIALLY ENCOURAGED INVESTMENT PROJECTS

(issued together with Decree No. 24/2000/ND-CP dated 31 July 2000)

- Producing, processing for export at least eighty (80) per cent of products;
- Processing agricultural, forestry (except for wood) and aquaculture products from domestic material sources for export of at least fifty (50) per cent of products;
- Producing various kinds of new strains with high quality and high economic efficiency;
- Cultivation of agricultural, forestry and aquaculture products;
- Manufacturing new materials and precious and rare materials; applying new bio-technology and new technology for manufacturing communications and telecommunications equipment;
- High-tech industry;
- Investment in research and development;
- Producing equipment for waste treatment;
- Producing materials for antibiotic drugs;
- Treatment of pollution and protection of environment; treatment of waste;
- Investment under BOT, BTO and BT contracts.

ANNEX V

LIST OF ENCOURAGED INVESTMENT PROJECTS

(issued together with Decree No. 24/2000/ND-CP dated 31 July 2000)

- Producing, processing for export at least fifty (50) per cent of products;
- Producing, processing for export at least thirty (30) per cent of products and using many domestic raw materials and materials (with a value of at least thirty (30) per cent of total production costs);
- Intensively using labour and effectively utilizing natural resources available in Viet Nam;
- Processing agricultural, forestry (except for wood) and aquaculture products;
- Preserving foodstuffs; post-harvest preservation of agricultural products;
- Exploration, mining and down-stream processing of minerals;
- Development of petro-chemical industry; construction and operation of oil and gas pipelines, oil storage and ports;
- Manufacturing of equipment and component packs for oil and gas exploitation, mining, and energy fields; manufacturing of large-size lifting equipment;
- Production of high-quality steel, alloy, non-ferrous metal, and special metal, steel billet and sponge iron used in industry;
- Manufacturing machine tools for metal processing, metallurgy equipment;
- Manufacturing precision mechanical equipment, equipment for safety examination and control; manufacturing jig and dies for metal and non-metal products;
- Manufacturing high and medium voltage electric devices;
- Manufacturing diesel engines with advanced techniques and technology; manufacturing dynamic and hydraulic machinery, parts and compressing machines;
- Manufacturing automobile and motorcycle parts; manufacturing and assembly of equipment, vehicles and machinery for construction; technical equipment for transportation;
- Building ships; manufacturing equipment and parts for transportation ships and fishing ships;
- Manufacturing communications and telecommunications equipment;
- Manufacturing electronic and informatics equipment and components;
- Manufacturing agricultural equipment, parts and machines, irrigation equipment;
- Producing various types of materials for pesticides;
- Producing basic chemicals of various kinds, purified chemicals and dyes; various kinds of specialized chemicals;

- Producing materials for cleansing chemicals and additives for chemical industry;
- Producing special cement, composite materials, and sound, electricity and heat insulating materials, and wood-substitute synthetic materials, fire-proof materials, construction plastic and fibreglass;
- Manufacturing light construction materials;
- Producing paper pulp;
- Producing silk and fibres of various kinds; special fabric for industry;
- Producing high-quality raw materials for manufacturing footwear and garments for export;
- Producing high-quality packages for exports;
- Producing medical equipment for analytical and extractive technologies in medical sector;
- Producing medicine materials; producing medicines with international GMP standard;
- Upgrading and developing energy sources;
- Public passenger transportation;
- Construction and upgrading of bridges, roads, airports, ports, railway stations, bus stations and railways;
- Construction of water plants and water supply and drainage systems;
- Construction and operation of infrastructure facilities of industrial zones, export processing zones and high-tech zones.

ANNEX VI

LIST OF REGIONS IN WHICH INVESTMENT IS ENCOURAGED

(issued together with Decree No. 24/2000/ND-CP dated 31 July 2000)

No.	Province/City	Section A Areas with specially difficult socio-economic conditions	Section B Areas with difficult socio-economic conditions
1.	Ha Giang	All districts and towns	
2.	Cao Bang	All districts and towns	
3.	Lai Chau	All districts and towns	
4.	Lao Cai	All districts and towns	
5.	Son La	All districts and towns	
6.	Bac Kan	All districts and towns	
7.	Tuyen Quang	All districts and towns	
8.	Lang Son	All districts and towns	
9.	Yen Bai	All districts and towns	
10.	Thai Nguyen	All districts and towns and Thai Nguyen City	
11.	Bac Giang	All districts and towns	
12.	Vinh Phuc	Lap Thach, Tam Duong and Binh Xuyen Districts	Districts not in Section A
13.	Phu Tho	All districts and towns and Viet Tri City	
14.	Hoa Binh	All districts and towns	
15.	Bac Ninh		Que Vo, Yen Phong, Gia Binh, Luong Tai and Thuan Thanh Districts
16.	Hanoi		Soc Son District
17.	Ha Tay		Ba Vi, My Duc, Phuc Tho, Quoc Oai, Thach That and Ung Hoa Districts
18.	Quang Ninh	Ba Che, Binh Lieu, Quang Ha, Hoanh Bo, Tien Yen and Dong Trieu Districts and Mong Cai Town	Yen Hung District and Cam Pha and Uong Bi Towns
19.	Hai Phong		Vinh Bao and Tien Lang Districts
20.	Hai Duong	Chi Linh District	All districts not in Section A
21.	Hung Yen		All districts and towns
22.	Thai Binh		All districts and towns
23.	Ha Nam		All districts and towns
24.	Nam Dinh		All districts and Nam Dinh City
25.	Ninh Binh	Nho Quan, Yen Mo and Gia Vien Districts	Tam Diep Town and districts not in Section A
26.	Thanh Hoa	Lang Chanh, Thuong Xuan, Quan Hoa, Ba Thuoc, Ngoc Lac, Nhu Xuan, Cam Thuy, Thach Thanh, Quan Son and Muong Lat Districts	Districts not in Section A
27.	Nghe An	Ky Son, Tuong Duong, Con Cuong, Quy Chau, Que Phong, Quy Hop, Nghia Dan, Anh Son, Tan Ky, Thanh Chuong and Do Luong Districts	Cua Lo Town and other districts not in Section A
28.	Ha Tinh	All districts	Ha Tinh Town
29.	Quang Binh	All districts	Dong Hoi Town
30.	Quang Tri	Quang Tri Town and All districts	Dong Ha Town
31.	Thua Thien Hue	All districts	Hue City
32.	Da Nang		Hoa Vang, Thanh Khe, Ngu Hanh Son

No.	Province/City	Section A Areas with specially difficult socio-economic conditions	Section B Areas with difficult socio-economic conditions
			and Lien Chieu Districts
33.	Quang Nam	All districts and Hoi An Town	Tam ky Town
34.	Quang Ngai	All districts	Quang Ngai Town
35.	Binh Dinh	All districts	Quy Nhon Town
36.	Phu Yen	All districts	Tuy Hoa Town
37.	Khanh Hoa	Khanh Son and Khanh Vinh Districts	District not in Section A
38.	Binh Thuan	All districts	Phan Thiet Town
39.	Ninh Thuan	All districts	Phan Rang Town
40.	Kon Tum	All districts and towns	
41.	Gia Lai	All districts and towns	
42.	Dak Lak	All districts and Buon Ma Thuot City	
43.	Lam Dong	All districts and towns and Da Lat City	
44.	Dong Nai	Dinh Quan, Tan Phu and Xuan Loc Districts	
45.	Binh Phuoc	All districts and towns	
46.	Binh Duong		Ben Cat, Phu Giao, Tan Uyen and Dau Tien districts
47.	Tay Ninh		All districts
48.	Ho Chi Minh City		Can Gio and Cu Chi Districts
49.	Ba Ria - Vung Tau		Long Dat and Xuyen Moc Districts
50.	Long An	All districts	Tan An Town
51.	Dong Thap	All districts and towns	
52.	Tien Giang	All districts and towns	My Tho City
53.	Ben Tre	All districts and towns	
54.	Vinh Long	All districts and towns	
55.	Tra Vinh	All districts and towns	
56.	An Giang	All districts and Long Xuyen City	
57.	Can Tho	All districts and towns	Can Tho City
58.	Soc Trang	All districts and towns	
59.	Bac Lieu	All districts and towns	
60.	Ca Mau	All districts and towns	
61.	Kien Giang	All districts and towns	