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**The Development Process of Viet Nam's Foreign
Investment Institution: A Review after 30 Years
Opening for Foreign Direct Investment**

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THE DEVELOPMENT PROCESS OF VIET NAM'S FOREIGN INVESTMENT INSTITUTION:

A REVIEW AFTER 30 YEARS OF OPENING FOR FDI

Foreign Investment Agency
Ministry of Planning and Investment
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THE TURNING POINT

- On April 18, 1977, the Government issued Decree 115/CP together with the Charter of Foreign Investment, a separate legal document to encourage and adjust FDI activities in Viet Nam. **This was the very first legal document on FDI in Viet Nam.**
- Up to now, Viet Nam has issued and implemented policies on foreign investment in accordance with 04 investment laws, corresponding to the following four stages

PHASE 1: 1988-1996

- ❑ In the 1980s, Viet Nam fell into a state of severe economic crisis.
- ❑ Change in the perception and viewpoints of foreign investment started in 1984 at Central level.
- ❑ The implementation of the Foreign Investment Law of 1987 and policies to open cooperation with the regional and world economies before the Asian financial – monetary crisis in 1996.
- ❑ The National Assembly has approved three amendments and supplements to the Law on Foreign Investment in Viet Nam in the 1990s, 1992 and 1996.
- ❑ The foreign investment has made an important contribution to the **member economy government** to overcome the socio-economic crisis

PHASE 2: 1997-2005

- The renovation in the Foreign Investment Law of 1996 and the amendment Law in 2000 - create breakthroughs in the process of Doi Moi, to overcome the negative impacts of the financial crisis in Asia and continue to integrate into the world economy, the important milestone is the conclusion of negotiations to join the WTO at the end of 2006.
- Besides the goals of capital, export and jobs, added the goal to attract modern technology, more TNCs.

PHASE 3: 2006-2014

- ❑ The implementation of the 2005 Investment Law in order to proactively integrate into the international economy.
- ❑ A common legal framework for domestic investment and foreign investment. Same incentives are applied to both domestic and foreign enterprises.
- ❑ Applied the principle of national treatment (NT) and Most Favored Nation (MFN) provisions. Investment guarantees, incentives in accordance with the principles and regulations of the World Trade Organization (WTO).
- ❑ State management on foreign investment is thoroughly decentralized to local authorities.

PHASE 4: 2015-2018

- ❑ With the aim of renewing the growth model and restructure the economy, implementing many innovations on foreign investment institutions in accordance with the international commitments, of which the most notable is Investment Law 2014.
- ❑ Applied the negative list mechanism. Institutionalized the constitutional principle of everyone's freedom of business investment in industries and trades.

IMPORTANT MILESTONES IN THE PROCESS OF INSTITUTIONAL IMPROVEMNET ON FOREIGN INVESTMENT

Year	Important documents
1986	Resolution of the 6th Party Congress oriented to build "multi-component commodity economy".
1987	Foreign Investment Law in Viet Nam in 1987.
1990	Foreign Investment Law in Viet Nam amended and supplemented in 1990. Private Enterprise Law 1990 and Corporate Law 1990.
1992	Constitution 1992 The Law on Foreign Investment in Viet Nam was amended and supplemented in 1992, which allowed "Vietnamese Party" to be enterprises of all economic sectors.
1996	Foreign Investment Law in Viet Nam in 1996.
2001	Constitution 1992 amended and supplemented in 2001. The Ninth Party Congress adopted the 2001-2010 Socio-Economic Development Strategy, which further defines the investment form for foreign investment. The Government issued Resolution No. 09/2001 / NQ-CP on enhancing attraction and raising the efficiency of foreign direct investment in the 2001-2005 period.
2005	Resolution No. 48-NQ / TW on the Strategy for building and perfecting the Viet Nam's legal system till 2010 and orientations to 2020;and Resolution No. 49-NQ-TW on the Judicial reform strategy to 2020.
2005	2005 Investment Law and Enterprise Law 2005
2013	Constitution 2013. Resolution 103 / NQ-CP on the orientation to improve the efficiency of attracting, using and managing foreign direct investment in the coming time
2014	Investment Law and Enterprise Law 2014.

SOME TENTATIVE AMENDMENT OF 2014 INVESTMENT LAW

- ❑ Renovating investment incentive mechanisms and policies based on outputs
- ❑ Strengthening the linkage between foreign investment and domestic investment.
- ❑ Actively open the door, remove barriers to market entry for foreign investors in sectors and fields that **Viet Nam** encourages or no longer needs protection.

THANK YOU!