

of the concerned agencies prescribed in Chapter VII shall base themselves on their respective functions and tasks to guide the implementation of this Decree.

Article 27.- Implementation responsibility

The ministers, the heads of the ministerial-level agencies, the heads of the Government-attached agencies and the presidents of the People's Committees of the provinces and centrally-run cities shall have to implement this Decree.

On behalf of the Government

Prime Minister

PHAN VAN KHAI

THE PRIME MINISTER

DECISION No.175/2003/QĐ-TTg OF AUGUST 29, 2003 APPROVING THE STRATEGY ON DEVELOPMENT OF VIETNAM'S INSURANCE MARKET FROM 2003 TO 2010

THE PRIME MINISTER

Pursuant to the December 25, 2001 Law on Organization of the Government;

Pursuant to the December 9, 2000 Law on Insurance Business;

At the proposal of the Finance Minister in Report No.43/TTr-BTC of May 7, 2003 and Official Dispatch No.7813 TC/TCNH of July 29, 2003,

DECIDES:

Article 1.- To approve the Strategy on development of Vietnam's insurance market from 2003 to 2010 with the following principal contents:

1. Objectives

To develop the insurance market in a comprehensive, safe and healthy manner, aiming to satisfy the fundamental insurance demands of the economy and the population; to ensure that organizations and individuals benefit from insurance products of international standards; to attract domestic and foreign resources for socio-economic development investment; to raise the financial and business capabilities of insurance business enterprises, meeting the competition and international integration requirements.

The State manages and supervises insurance business activities according to Vietnamese laws and international principles and standards.

2. Some principal norms

a) The total insurance premium turnover increases by around 24% annually on average; in which the non-life insurance rises by around 16.5%/year and life insurance by around 28%/year. The entire insurance sector's premium ratio to GDP shall be 2.5% by 2005 and 4.2% by 2010.

By 2010, the total operation reserve of the insurance business enterprises shall increase by 12 times; the total capital amount reinvested into the economy shall rise by around 14 times over 2002.

b) To create jobs for some 150,000 persons by 2010. The State budget remittance in the 2003-2010 period shall increase by 20%/year on average.

3. Major solutions

a) Regarding mechanisms and policies

- Continuing to perfect the mechanisms and policies on insurance business activities so as to make the

market develop healthily, safely and suitably to the integration requirements; ensuring the autonomy and self-responsibility of insurance business enterprises.

- The State shall work out policies to encourage people to participate in life insurance, giving priority to the development of life insurance products of long-term investment nature; encourage insurance business enterprises to research into and develop agricultural, forestry and fishery insurance products; attach importance to expanding the operation scope to deep-laying and remote regions.

- Developing the networks of professional insurance agents, insurance brokerage enterprises and other distribution channels. Diversifying forms of insurance brokerage business; the State shall not directly invest more capital in the insurance brokerage domain.

- Insurance business enterprises may set up investment funds, trust funds and fund-managing companies under the provisions of law. Foreign-invested insurance business enterprises, which use the collected insurance premiums for investment in Vietnam, shall be entitled to investment mechanisms and policies like domestic insurance business enterprises.

- The State shall work out mechanisms and policies for insurance enterprises to supplement their charter capital by themselves suitably to their respective operation nature and business scale.

- Encouraging insurance business enterprises to modernize the business administration technology, to train the contingent of officials up to international professional standards, hire domestic and foreign specialists to manage a number of operation domains strictly according to the provisions of law.

b) Regarding the organization of operation of enterprises

- Reorganizing the existing domestic insurance enterprises, ensuring to raise their business capacity, to develop insurance products, expand the market shares and the market. Non-State economic sectors, which meet the conditions prescribed by the Insurance Business Law, are entitled to set up joint-stock insurance

companies.

The State enterprises must not use the State capital to set up new insurance enterprises and contribute capital to the establishment of specialized joint-stock insurance companies.

- Permitting foreign-invested enterprises to expand their operation contents and scope, increase their charter capital, if they satisfy the law-prescribed conditions.

- The granting of establishment licenses to foreign-invested insurance companies operating in Vietnam must conform to the market development scope and requirements, the integration roadmap and international commitments. Attaching importance to insurance companies of countries which have established trade and investment relations with Vietnam, companies with financial capability, high technological standards and experiences in insurance operations and with contributions to the development of Vietnam's insurance market.

- Encouraging domestic enterprises to expand their business operation scope, even to international and regional insurance markets, to contribute capital to insurance, insurance brokerage or re-insurance companies operating with success in foreign countries and to set up affiliate companies doing insurance business overseas.

c) Enhancing the State's management role

- Renewing the mode and raising the capability of State management over business activities, then gradually proceeding to implement the international insurance management principles and standards. The State shall supervise the insurance business activities through the system of norms on operations of insurance enterprises and inspect and handle violations according to law, not to administratively interfere in the operations of enterprises.

- Perfecting the organizational apparatus of Vietnam Insurance Association so that it can perform the role of bridging the insurance enterprises with the State management agencies.

Article 2. - Implementation organization

1. To assign the Finance Minister the responsibility to direct and organize the implementation of the approved Strategy on development of the insurance market from 2003 to 2010.

2. The concerned ministries shall have to coordinate with the Finance Ministry in implementing plans on reorganizing their attached insurance enterprises according to the current law provisions and the approved strategy.

Article 3. - This Decision takes implementation effect 15 days after its publication in the Official Gazette.

Article 4. - The ministers, the heads of the ministerial-level agencies, the heads of the Government-attached agencies and the presidents of the provincial/municipal People's Committees shall have to implement this Decisions.

Prime Minister
PHAN VAN KHAI

DIRECTIVE No. 18/2003/CT-TTg of September 1, 2003 stepping up the implementation of financial autonomy for non-business units

The Prime Minister instructs the ministries, branches and localities to consider the implementation of autonomy in organizing the task performance, finance, payrolls and wage payment for their non-business units one of the central tasks in 2003 and 2004. The ministries, branches and localities shall expeditiously draw up plans and

roadmaps for completing the transfer of financial autonomy to non-business units with revenues, and at the same time clearly determine the extent of self-financing sources for salary reform for each non-business unit with revenues.-

DECISION No. 178/2003/QĐ-TTg of September 3, 2003 approving the scheme on propagating the overall program on the State administrative reform in the 2001-2010 period

The propagation of the overall program on the State administrative reform in the 2001-2010 period is targeted at the entire contingent of State officials and employees in the Vietnamese political system as well as people of all strata.

The propagation's objectives are:

- State officials and employees as well as people of all strata have full, clear and uniform perception of the program;

- State officials and employees have positive behaviors and righteous motives, and actively participate in the cause of State administrative reform and the plan for implementation of the program;

- Party Committees and administrations of all levels, branches, agencies and mass organizations as well as the contingent of leading officials and administrative employees shall act consistently in order to create new driving forces and development steps in the cause of administrative reform.

The Government's Steering Committee for Administrative Reform shall have to direct and guide the ministries, the ministerial-level agencies, the agencies attached to the Government, the provincial/municipal People's Committees and the concerned agencies in disseminating and propagating the overall program on State administrative reform to all levels and branches as well as the entire society.-