

THE GOVERNMENT
No. 182/2003/QĐ-TTg

SOCIALIST REPUBLIC OF VIETNAM
Independence – Freedom – Happiness

Hanoi, 05 September 2003

DECISION OF THE PRIME MINISTER
Promulgating the issuance of the Government Bonds to mobilize funds to invest in several important transportation and hydraulic works of the nation

THE PRIME MINISTER

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

Pursuant to the Resolution No. 414/2003/NQ-UBTVQH11 dated 29 August 2003 of the Standing Committee of the National Assembly, promulgating the issuance of the Government Bonds to mobilize funds for several important transportation works and hydraulic works of the nation;

Pursuant to the Decree No. 01/2000/ND-CP dated 13 January 2000 of the Government on the promulgation of the Regulation on the Government bonds issuance;

In consideration of the proposal by the Minister of Finance,

HEREBY DECIDES:

Article 1.

The issuance of the Government Bonds to mobilize investment funds in VND and in foreign currencies in order to invest in several important transportation and hydraulic works of the nation as indicated in the List of the works using funds mobilized from the Government Bonds issuance for the period 2003-2010 (*attached*).

Article 2.

1. The total Government Bonds issued in the period of 2003-2010 will be about VND 63.000 billion; in which the total issuance in foreign currencies out of the total Government Bonds issued is, as assigned by the Government, decided

annually by the Minister of Finance based on the situation of monetary and financial markets.

The investment funds for several transportation works as indicated in the Item V of the list mentioned in the Article 1 shall be added to the total Government Bonds issued as soon as feasible projects are approved.

2. The issuance amount and timing will be based on the need for funds (including need for funds to pay the Government bond capital as defined in the Article 6 of this Decision) and also based on the implementation progress of the works.
3. The total loans mobilized from the Government Bonds issuance shall be, as decided by the Government, held at the State Treasury in order to fund the works and disbursed in accordance with the implementation progress of the works. The funds mobilized from the Government Bonds issuance shall not be used for paying state budget funds arranged for the works (as specified in the list mentioned in the Article 1 of this Decision) as of 2003.
4. The foreign currencies mobilized from the Government Bonds issuance, after liquidating the direct expenditures in foreign currencies, shall be sold to the State Bank of Vietnam in order to increase the national reserve of the foreign exchange; The VND paid by the State bank of Vietnam shall be transferred to the State Treasury.

Article 3.

The eligible buyers of the Government Bonds include Vietnamese organizations, Vietnamese citizens; Vietnamese people residing in foreign countries; the foreigners working and residing in Vietnam; and foreign organizations operating within the Vietnamese territory.

Vietnamese organizations shall not be allowed to use the funds allocated from the State Budget to buy the Government Bonds.

Article 4.

The owners of the Government Bonds are entitled to the rights and concessions as follows:

1. To be guaranteed by the Government in terms of total payment of the capital and bond interests in the currencies they used to buy the Bonds at maturity.
2. To be able to transfer, present, put the bonds as inheritance or to use them as collateral in credit relations; the Government Bonds in VND can be listed and transacted in the securities markets.

3. The owners of the Government Bonds as individuals, apart from being entitled to the rights mentioned in Item 1 and 2 above, shall also be exempted from individual income tax levied on the income from the Government Bonds, and monies shall be deposited free of charge in the system of the State Treasury.
4. The owners of the Government Bonds as credit institutions, apart from entitled to the rights mentioned in Item 1 and 2 above, shall be allowed to transact the Government Bonds in monetary markets, and entitled to discounts and re-discounts of the Government Bonds as regulated by the State bank of Vietnam.

Article 5.

1. The Bonds are to be issued by the Ministry of Finance with terms of 5 years and 10 years. Whenever it is necessary, the Minister of Finance shall decide on the extra issuance of Bonds with shorter or longer terms.
2. The Bonds are issued in the form of records and certificates; registered or non-registered.
3. The part value of the Government Bonds are as regulated as hereunder:
 - a) With regards to the Bonds issued and paid in VND, the minimum par value is VND 100.000, other par values shall be the multiple of VND 100.000, and specifically decided by the Minister of Finance;
 - b) With regards to the Bonds issued and paid in foreign currencies, the Minister of Finance shall promulgate a regulation for each issuance.
4. The Bonds in VND shall be issued in the forms of retail trading through the system of the State Treasury, bid through the central securities trading market, issuance agents, or underwriting services; listed and transacted at the Securities Trading Center.
5. The Bonds in foreign currencies shall be issued in the form of retail trading through the system of the State Treasury and be bidden through the banking system.
6. Interest rates of the Bonds issued in the form of bidding shall be the one that is established through the bidding results. Interest rates of the Bonds issued in the forms of retail trading through the system of the State Treasury, issuance agents or underwriting services shall be decided by the Minister of Finance on the basis of discussion with the State bank of Vietnam and with reference to the market interest rates.

The interest rates of the Government Bonds shall be attracting enough, but shall not cause any inconvenience or barriers to the mobilization of capital by commercial banks.

Article 6.

1. The original values of the Government Bonds shall be paid once upon maturity, the interest shall be paid once a year through the system of the State Treasury or through the authorized agents.
2. Sources of funds in payment of interest, issuance costs and Government Bonds payment costs shall be balanced in the annual State Budget estimate. Sources of funds in payment of the original capital of the Bonds at maturity shall be arranged from the sources of Government bonds from forthcoming issuance or shall be partly balanced into the annual State Budget estimate as decided by the Prime Minister.

Article 7.

Responsibilities for the Ministries and relevant agencies shall be regulated as hereunder:

1. The Ministry of Finance:
 - Decides the issuance procedures and forms, terms, issuance level, and timing, and organizes the issuance of the Government Bonds in accordance with the plan and implementation progress of the works approved by the Prime Minister;
 - Implements accounting and drawing up of the balance-sheet of the funds mobilized from the Government Bonds issuance and utilization of these sources of funds; organizes the management, distribution, payment and drawing of the balance-sheet of the investment funds for the works as regulated by the relevant laws;
 - Arranges sources of funds from the State Budget in order to pay the bond interests and capital as regulated in the Article 6 of this Decision;
 - Annually reports to the Prime Minister on the mobilization and the distribution, and payment of investment funds for the works;
 - Takes the lead, in coordination with the Ministry of Planning and Investment, the State Bank of Vietnam and relevant agencies, in submitting any problems occurring during the implementation to the Prime Minister for settlement.
2. The State Bank of Vietnam:

- Coordinates with the Ministry of Finance to organize the bidding for issuance of the Government Bonds through the banking system;
 - Coordinates with the Ministry of Finance to calculate issuance interest rates, and monetary and rate-related macro-balances;
 - Takes the lead in steering credit institutions to buy the Bonds in foreign currencies.
 - Organizes the re-buying of the foreign currencies mobilized from the issuance of bonds in foreign currencies in order to increase the national reserve of foreign exchange, and the selling of the foreign currencies to the Ministry of Finance in order to paying the capital and interests of the bonds in foreign currencies at maturity.
3. Ministry of Planning and Investment:
- Coordinates with the Ministry of Finance to balance investment funds in accordance with the implementation progress of the works in order to identify the needs for annual issuance; calculates and synthesizes the macro-balances in order to ensure the national financial security;
 - Coordinates with the Ministry of Finance to balance and arrange sources from the State Budget in order to pay the capital and interests of the bonds, and issuance costs as regulated in the Article 6 of this Decision;
 - Regularly or irregularly reports to the Prime Minister about the implementation of the investments for the works;
 - Coordinates with the Ministry of Finance and relevant agencies in submitting the problems occurring during the implementation to the Prime Minister for settlement.
4. The State Securities Commission in coordination with the Ministry of Finance organizes the bidding of the Government Bonds through the central securities market.
5. The Ministry of Culture and Information in coordination with the Ministry of Finance and relevant ministries/agencies, the centrally controlled Cities organizes the propagation activities about the purpose and significance of the Government Bonds issuance in order for the people of all walks of life to clearly understand and actively respond to the issuance.
6. Ministries, ministerial-level agencies, Government agencies, People's Councils, People's Committees at all levels within their mandates shall be responsible for coordinating with the Vietnam Father Front at all levels in organization of the

propagation activities with a view to encourage them to buy the Government Bonds.

7. The Ministries and local authorities that are assigned to invest in the important transportation and hydraulic works of the nation with funds mobilized from the Government Bonds issuance shall focus their attention on steering the implementation of the works in order to ensure the quality, procedures as regulated, so as to quickly implement the works with high efficiency; avoid any losses, misspending, and adverse problems.

Article 8.

This Decision shall take full effect after 15 days from the date published in the Government Official Gazette.

Ministers, heads of the ministerial-level agencies, Heads of the Government agencies, Chairmen of Provincial People's Committees and of the Centrally controlled Cities are responsible for implement this Decision.

THE PRIME MINISTER
Signed and Sealed

PHAN VAN KHAI

THE GOVERNMENT

SOCIALIST REPUBLIC OF VIETNAM
Independence – Freedom - HappinessLIST OF THE WORKS USING FUNDS MOBILIZED FROM
THE GOVERNMENT BOND ISSUANCE
PERIOD 2003-2010(Issued in attachment to the Decision No. 182/2003/QĐ-TTg dated 5
September 2003 of the Prime Minister)

Unit: VND Billion

No.	Works	Timeframe	Total investment	State budget already arranged as of 2003	Funds from GoV bonds allocated to works (1)
	Total		71.640	7.832	63.064
I	Transportation works		48.898	7.359	41.539
1	Ho Chi Minh Road project		17.022	5.642	11.380
	HCM road phase 1	00--05	9.022	5.642	3.380
	+ Main line	00--03	7.900	5.542	2.358
	+ Works in phase 1	00--05	1.122	100	1.022
	HCM road phase 2	06--10	8.000		8.000
2	National road No. 6	02--05	5.817	1.500	4.317
	- Phase 1		4.967	1.500	3.467
	+ National road No. 6 and six works for transportation safety	02--05	3.245	1.270	1.975
	+ National road No. 32	02--05	1.322	195	1.127
	+ National road No. 37	02--05	400	35	365
	- Phase 2 (Son La-Tuan Giao-Lai Chau)	05--08	850		850
3	Northern border belt	00--10	6.493	34	6.459
	- Belt No. 1 (System of national road No. 4)	00--10	4.593	34	4.559
	+ National Road No. 4A	00--04	401		401
	+ National road No. 4B	01--05	260		260
	+ National road No.	03--04	115	34	81

	4C				
	+ National road No. 4D	01--05	158		158
	+ Road linking National road No. 4C with NR No. 34	01--05	248		248
	+ Road linking 4C with 4D	03--10	1.500		1.500
	+ Muong Nhe-P.Ma road	03--06	280		280
	+ Sipaphin-Muong Nhe road	01--05	277		277
	+ National road No. 100	03--04	54		54
	+ Dien Bien Town-Son La Town	03--08	1.300		1.300
	Dien Bien town- Ma river	04--08	1.000		1.000
	Ma river-Son La town	03--06	300		300
	- Belt No. 279	04--09	1.900		1.900
	+ Tuan Giao-Tay Trang road	04--07	500		500
	+ Over-Tuyen Quang road	04--09	1.000		1.000
	+ Pa Uon-Tuan Giao road	04--07	400		400
4	Con Minh-Hai Phong Corridor	03--06	3.118		3.118
	- National road No. 70	03--07	2.786		2.786
	- National road No. 4D	03--04	146		146
	- National road No. 4E	03--04	186		186
5	National Road No. 2	03--07	1.521	9	1.521
6	National Road No. 3	03--07	1.596		1.596
7	National Road No. 12, Km 104-Km 196	02--05	355	6	349
8	National road No.7 (West Do Luong-Nam Can)	02--05	700	5	695
9	West Nghe An road (Ky Son-Que Phong-Thong Phu)	03--08	600	25	575
10	Vung Ang road- Viet Lao border (including the flooded road, Km 17-Km 29 of the	03--07	1.100	90	1.010

	national road No.12 in Quang Binh, khe Ve-Cha lo				
11	South Quang Nam road (Tam Ky-Tra My-Tac Po-Dac To)	04--08	532		532
12	National road 14D	99--04	433	45	388
13	National Road No. 19	03--05	117		117
14	National Road No. 14C (including the road stretching down to National Road No. 22B)	03--06	1.415		1.415
	- National road No. 14C	03--06	804		804
	- Road stretching down to National Road No. 22B	06--10	611		611
15	National Road No. 22B	03--05	297	3	294
16	South Hau river road	03--08	1.900		1.900
17	Phung Hiep Roadman	03--08	1.700		1.700
18	National Road No. 80 My Thuan-van Cong	03--05	352		352
19	N1 road	01--10	1.750		1.750
	- Tinh Bien-Ha Tien road	03--05	297		297
	- Whole road phase 2	05--10	1.453		1.453
	Yen Vien-Pha Lai- Ha Long-Cai Lan railway	03--06	2.080		2.080
II	Hydraulic Works		13.942	273	12.925
1	Upper Ea Soup reservoir and channel system (Dak Lak)	99--06	400	139	261
	- Upper Ea Soup Reservoir	99--06	167	139	28
	- Channel system	03--04	233		233
2	Long Song reservoir (Binh Thuan)	98--03	196	19	162
3	Suoi Dau reservoir (Khanh Hoa)	99--04	181	37	144
4	Song Sao reservoir (Nghe An)	96--03	141	38	103
5	Focal irrigation	02--04	295	25	270

	cluster Hat Mon-Dap Day (Ha Tay)				
6	Cua Dat reservoir (Thanh Hoa)	03--10	2.679		2.400
7	Dinh Binh reservoir (Binh Dinh)	02--07	550	10	540
8	Ray river irrigation system (Ba Ria-Vung Tau)	04--10	1.500		1.450
9	Nuoc Trong reservoir (Quang Ngai)	04--10	1.300		1.300
10	Lower Krong Buk reservoir (Dak lak)	06--10	1.200		1.000
11	Upper Krong Buk reservoir (Dak lak)	99--06	1.200		1.000
12	Ja Mo reservoir (Gia Lai)	06--10	1.200		1.200
13	Ban Mong reservoir (Nghe An)	05--10	2.600		2.600
14	Do Diem sewer (Ha Tinh)	01--04	140	5	135
15	Rao Da reservoir (Quang Binh)	03--06	150		150
16	Ea Mla reservoir (Gia Lai)	03--07	210		210
III	Son La Hydro-Power resettlement	03--10	7.000	200	6.800
IV	Na Hang Hydro-Power resettlement (Tuyen Quang)	03--05	1.800		1.800
V	Several transportation works: East Truong Son; road linking districts in West Thanh Hoa, Nghe An (2)				

Note:

(1) Funds from GoV bond issuance allocated for the works shall be used to pay credit debts and state budget funds pre-paid to the works as of 2003.

Shall not be used for paying the state budget funds arranged for the works as of 2003.

(2) Investment funds for these works have not yet been included in the amount mobilized from GoV bonds (about VND 63000 billion). As soon as feasible projects have been approved, investment funds shall be added to the total GoV bonds.