

**DECISION No. 175/2002/QĐ-TTg OF
DECEMBER 3, 2002 APPROVING THE
STRATEGY ON DEVELOPMENT OF
VIETNAM'S AUTOMOBILE INDUSTRY TILL
2010 AND THE VISION TILL 2020**

THE PRIME MINISTER

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

*At the proposal of the Ministry of Industry in Report
No. 3608/TTr-KHDT of September 19, 2002 and
proceeding from the opinions of various agencies at
the meeting held on September 19, 2002 at the
Government Office,*

DECIDES:

*Article 1.- To approve the strategy on development
of Vietnam's automobile industry till 2010 and the
vision till 2020, with the following principal contents:*

1. Objectives

1. General objectives

To develop Vietnam's automobile industry on the
basis of absorbing and applying the world's advanced
technologies in combination with exploiting and step
by step raising the existing technologies and
equipment, meeting most of the domestic automobile
demand, striving to export automobiles and spare
parts.

2. Specific objectives

- Regarding common automobiles: to meet 40-50% of the domestic quantitative demand and achieve the localization rate of 40% by 2005; to meet over 80% of the domestic quantitative demand and achieve the localization rate of 60% by 2010 (particularly for engines and gear boxes, to strive to reach the localization rates of 50% and 90% respectively).

- Regarding special-use automobiles: to meet 30% of the domestic quantitative demand and achieve the localization rate of 40% by 2005; to meet 60% of the domestic quantitative demand and achieve the localization rate of 60% by 2010.

- Regarding high-class automobiles: Tourist automobiles manufactured by joint ventures must achieve the localization rate of 20-25% then 40-45% by 2005 and 2010 respectively; to meet 80% of the demand for high-class trucks and buses achieving the localization rates of 20% and 35-40% by 2005 and 2010 respectively.

II. Strategic orientations and solutions to develop Vietnam's automobile industry

1. Regarding products

a/ To manufacture common automobiles (small trucks, tourist cars, small passenger cars, buses...) and of special-use types (petrol tankers, fire engines, small ambulances, frozen-food vans, cement transportation trucks, street sweepers...) with competitive prices and suitable to Vietnam's practical conditions.

b/ To manufacture high-class automobiles to reasonably meet the domestic demand and for export.

c/ To concentrate on manufacturing automobile engines at localization rates compliant with the provisions at Point 2, Section I of this Regulation.

2. Regarding the manufacture organization

To organize the manufacture of automobiles and parts thereof on an industrial scale in the direction of specialization and cooperation.

To encourage all economic sectors to develop the manufacture of automobile parts, especially engine components.

3. A number of mechanisms and policies for implementing the strategy

a/ To integrate the automobile engine manufacture

program into the program on key industrial products from now till 2010.

b/ The projects on investment in manufacturing common and special-use automobiles in compliance with the development planning shall enjoy a number of privileges in terms of land, credit capital borrowing, supports for technology transfer, scientific research, outside-the-fence investments... Concrete privileges shall be considered and decided for each project in the consideration and approval process.

Article 2.- Organization of implementation

1. The Ministry of Industry shall assume the prime responsibility and coordinate with the ministries, branches and localities in implementing this strategy; elaborate the planning on development of Vietnam's automobile industry till 2010 and submit it to the Prime Minister for approval. All projects on investment in manufacturing and/or assembling automobiles must be compliant with the planning, evaluated by the Ministry of Industry, and submitted to the Prime Minister for approval.

2. The Ministry of Finance shall study and propose tax policies to encourage the manufacture of common and special-use automobiles according to the provision at Item b, Point 3, Section II of this Decision.

3. The Ministry of Science and Technology shall assume the prime responsibility and coordinate with the Ministry of Communications and Transport in completing and promulgating the system of technical and quality standards for automobiles and parts thereof.

Article 3.- This Decision takes effect 15 days after its signing.

Article 4.- The ministers, the heads of the ministerial-level agencies, the heads of the agencies attached to the Government and the presidents of the People's Committees of the provinces and centrally-run cities shall have to implement this Decision.

*For the Prime Minister
Deputy Prime Minister
NGUYEN TAN DUNG*