

(2) VSPs should have good cooperative relations with VCFs. VCFs can request VSPs to assist start-up as well as growing software firms in which VCFs decided to invest capital, in terms of transfer technology and product planning. As mentioned above, VSPs can also play the role of middlemen who screens new software firms (start-up and growing software firms) for VCFs' portfolio;

(3) VSPs must strongly act as a hunter for software projects from potential customers and then channels them to start-up software firms;

(4) VSPs help start-up and growing software firms to get access to government-funded programs, for example, the HCMC program for training 300 PhDs and MAs, the credit program for demand stimulus;

(5) VSPs will be able to attract venture capital if they create the right legal, business and financial environment and culture to foster the growth of creative entrepreneurs and provide them with tax incentives and other supports ■

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Measures to Lure More Foreign Investment to HCMC and Develop It into a Commercial and Financial Center

by LÊ SONG TÙNG

Taking advantages of its favorable position and potentials, HCMC has been playing an important role in the process of economy development of Vietnam. Since the economic reform, HCMC has been definitely leading the country in attracting foreign investments so far by making the best use of its natural conditions and appropriate policies. Foreign investment projects in HCMC have surely affirmed its role as one of significant forces to the city's economic growth.

However, to maintain its stable and sustainable growth and become a commercial and financial center, HCMC should have an orientation for investment structure, especially measures to make use of foreign investment effectively. To reach this goal, city authorities have to work out long-term strategies as suggested below:

- Making the investment and business climate more competitive to attract and encourage domestic and foreign investors to develop high-quality services and hi-tech industries in which it has comparative advantages.

- Creating favorable conditions with a view to encouraging investors to form mutual funds and finance companies in order to diversify stock market.

- Allowing foreign investors to take part in certain fields such as: real estate, high quality health services and

telecommunications.

- Building more open investment environment; making policies on investment fairer and more transparent, beefing up the infrastructure and adopting tax policies attractive to foreign investors.

- Encouraging investments in hi-tech industrial parks, modern infrastructure, real estate market (especially high-class apartment buildings), general education and vocational services

- Simplifying administrative procedures with a view to saving foreign investors from waste of time and money.

- Beefing up marketing, and introducing new policies and invest environment to countries with high potentials for overseas investment, such as Japan, USA and some European countries.

- The plan for 2006-2010 must emphasize changes in the structure of industry by increasing the growth of the service sector to a level equal to that of manufacturing and construction sector; making the share of the service sector the biggest one in the GDP; and helping this sector gain a growth rate higher than that of the manufacturing and construction sector after 2010.

In short, good implementation of these measures will be able to increase the flow of FDI to HCMC and help turn it into a commercial and financial center where great contribution to the economic growth will be generated ■