

the state owned ones) as allotted funds in place of capital supplied by the national budget. In the market economy, customers have right to choose bank, so do banks, they have right to choose what companies they want to invest in and what customers (without discrimination against any economic sector) they want to give loan. In other words, banks have right to make decision on their business.

- As for exchange control, the State Bank had better take measures conforming to the following directions:

- To make exchange control regulations with a view to preventing speculation in foreign currency, controlling demand for foreign exchange and buying up all sources of foreign currency.

- To supervise the balance of payments and fund of reserve currency.

- To improve operation of foreign exchange centers and to create conditions favorable for operation of foreign exchange market.

- The State Bank forms and controls the foreign exchange reserve fund in order to stabilize the exchange rate and gold price, and trade in foreign currency in international markets.

- To fix the exchange rate in order to keep domestic market price along with inflation rate under control. Official rate should be fixed exactly and publicized in order to promote foreign trade.

- To look for sources of foreign exchange: loans from IMF, WB, ADB or NGOs; foreign direct investment; immigrant remittance, etc.

- To control foreign debt effectively.

- To issue Treasury bill, government bond, negotiable certificate of deposit: This measure can form a money market at an early stage under the management of the State Bank. This market can help with distributing capital among banks on the basis of exchange of those negotiable instruments. This market is also a precondition for formation of the stock exchange in Vietnam in the near future (according to latest information, a Securities and Exchange Commission will be formed in the second quarter of 1995 and will act as a regulatory body to control the stock market).

Briefly, the monetary financial policy is an inseparable part of overall economic policy, which can be used by the Government to regulate the economy. A monetary-financial policy which is reasonable and appropriate to the present situation of the economy could help with fighting against backwardness and developing the economy quickly and stably ♣



DẦU TIẾNG RUBBER COMPANY TO MAKE GOOD PROGRESS IN 1995

by PHẠM HỒNG VÂN

Dầu Tiếng Rubber Company is one of giants of rubber industry. It has 29,800 hectares of rubber, 21,400 of which are exploitable, produced 18,500 tonnes of latex in 1994. It planned to produce over 20,000 tonnes in 1995. These data expressed good progress made by Dầu Tiếng Rubber Company in 1994.

Phạm Sơn Tông, director of Vietnam Rubber Corporation, in his annual review delivered in a meeting of rubber companies, held in HCMC on Jan 15, 1995, said that Dầu Tiếng Rubber Company finished in second place last year in surpassing the planned target.

With 11 farms and 10,067 workers, Dầu Tiếng Rubber Company produced VNĐ230,891 million worth of rubber last year, equivalent to 118.8 per cent of its planned target. This output increased by 81.5 per cent compared with 1993. In 1994, Dầu Tiếng Rubber Company exported 16,000 tonnes of high-quality latex worth US\$17 million. Its products were sold to over 20 countries such as France, Germany, Belgium, Japan, England, Netherlands, South Korea, Malaysia, Singapore, etc. In domestic market, although there was wide fluctuation of price, between 15 and 20 per cent of its output was sold to domestic customers such as Cần Thơ Shoe Factory, FIN Shoe Company in Sông Bé (a joint venture with South Korean partner), Ngọc Cù Tyre Factory, Tân Vinh Phát Factory, etc.

A customers' meeting is held annually by Dầu Tiếng Company in order to make plans for the next year and exchange contracts with customers. In the customers' meeting on Dec 15, 1994, Đoàn Văn Dân, director, said that: "Dầu Tiếng Company wants to serve both local and foreign customers better and better over the years. We will try our best to complete our contracts and fulfil your requirements on product quality and ways of payment. However, we had many mistakes in doing business last year, such as going short of supply, making defects in packaging, not keeping customers well informed, etc. We promise that these mistakes will be corrected properly next year".

Lê Văn Khoa, sales department manager, reveals that Dầu Tiếng products are greatly appreciated by Korean and Japanese customers and many agreements have been signed during his visit to those two countries. In 1995, the company plans to produce 22,000 tonnes of latex. This output will be raised to 30,000 tonnes annually from 1997 onwards. In order to achieve these targets, the company has started to set up a new production line with capacity of box 15,000 tonnes per year in Bến Súc.

Every worker receives a monthly wage of VNĐ600,000 on average and a bonus of VNĐ2 million on the occasion of Tết holidays. This is what the company has done for its workers before it makes new progress in 1995 ♣