



SOME OPINIONS ABOUT REFORM OF PROCEDURES FOR EXPORTING AND IMPORTING

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Completing customs formalities always makes businesspersons worried. To reform these formalities, to make them simple and easy for businesspersons to get through, and scientific enough for the customs to control this business, is a common desire of all persons who are concerned about development of foreign trade.

I. MECHANISM FOR CONTROLLING FOREIGN TRADE IN 1996

In the past, the procedure for exporting and importing is complicated. In order to import or export a batch of goods, one has to get an export (or import) licence and permission to send (or receive) the said batch of goods before completing customs formalities. This procedure consumes a lot of time and money, therefore it has been reformed recently. Since July 1994, permission to send (or receive) a single batch of consumer goods was not required. On Dec.15,1995, the Government issued the Decree 89/CP that cancelled the procedure for getting permission to export (or import) a single batch of goods. On Dec. 30,1995, the Prime Minister signed the Decision 864/TTg on commodity policy and import-ex-

port management in 1996. On Jan. 20,1996, the Ministry of Trade and the General Department of Customs issued the interdepartmental circular 01/TM/TCHQ that established guidelines to implement the Decree 89/CP. The main contents of these documents are as follows:

1. The commodity policy in 1996

Goods imported and exported in 1996 are regulated by the following lists:

- a. Goods banned from export
 - Weapon, ammunition, explosive devices, armament.
 - Antiques.
 - Opium of all kinds.
 - Toxic chemicals
 - Wood of various kinds, coal made by scorching wood, wooden articles made from IA group wood and plank made from IIA group wood listed in connection with the Decree 18/H9ĐBT dated Jan. 17,1992, semi-processed wooden articles, raw rattan.
 - Wild animals, rare and precious animals and plants.
- b. Goods banned from import
 - Weapon, ammunition, explosive devices, armament.
 - Toxic chemicals.

- Depraved and reactionary cultural works.
- Fireworks of all kinds, toys producing bad effect on children's personality, social order and security.
- Cigarette (except for a determined quality in personal luggage of tourists)
- Secondhand consumer goods (except for under-12-seat automobiles, motorbikes, movable property and personal effects).
- Automobiles and vehicles of all kinds having righthand steering wheel (including separate parts).
- Secondhand spare parts of automobiles, motorbikes and motor-tricycles.
- c. Goods controlled by quota (according to the Decision 864/TTg).
- Goods for export: rice, textile and garment exported to the EU, Canada and Norway.
- d. Goods controlled by specific governmental bodies
 - + Ministry of Industry
 - Minerals (for export)
 - Ferrous and non-ferrous metal waste (for export).
 - Technology for processing wood and forest products (for imports).
 - Wooden articles for export, except for handicraft.
 - Living animals and plants used as strains for farming (for import).
 - Animal feeds (for import).
 - + Ministry of Health (regarding importation of)
 - Medicine and raw materials for producing medicine.
 - Medical equipment, machine and instrument.
 - + Ministry of Finance (Commission for Foreign Aid)
 - Foreign aid.
 - + Ministry of Fisheries
 - Controlling importation and exportation of: sea animals and plants used as strains, rare and precious sea animals and plants, medicine and feeds used in sea farming.
 - + Ministry of Culture and Information
 - Books, papers, pictures and other printed items (except for labels and catalog)
 - High-price art works controlled by the government.
 - Printing equipment, recorded video tapes.
 - Movies.
 - + Ministry of National Defense
 - Weapon, military equipment.
 - Ammunition, explosive devices.
 - Documents and production line used for producing and repairing weapon and military equipment.
 - Military supplies and equipment.
 - + State Bank

- Banking equipment and machinery.
- + General Department of Post
- Broadcasting machine, radio, radio communication equipment.
- Switchboard
- e. Goods relating to the key balances of the economy
 - Petroleum
 - Fertilizer
 - Cement
 - Sugar
 - Steel

2. Regulations on granting import and export licence in 1996

a. Imports or exports require licence granted by the Ministry of Trade:

- Goods controlled by quota.
- Imported consumer goods allowed by the Prime Minister.
- Equipment and machine (including their spare parts) imported with outlay from the public treasury according to the Decision 91/TTg dated Nov. 13, 1992.
- Goods imported by businesses established according to the Vietnam's Foreign Investment Law.
- Equipment used for exploring oilfield imported by joint ventures with foreign partners.
- Goods displaying in trade fairs or exhibition.

- Raw materials for processing enterprises.

- Goods for re-export, goods imported according to regulation on supplying goods to foreign residents, goods selling in duty-free stores.

- Goods (exports or imports) under government's control because of the need to stabilize supply-demand relation.

b. Goods require permission from ministerial bodies (mentioned in 1.d above)

After receiving permission from authorized bodies, businesspersons can complete customs formalities and need not show licence for a single batch signed by the Ministry of Trade.

c. All other goods can be exported or imported according to the 7-digit licence granted to export businesses, or similar documents issued by the Ministry of Trade. Licence for a single batch is not required.

Learning about above-mentioned documents, all managers of export-import companies felt both happy and worried. They are happy because these new regulations have made customs formalities simpler, and worried because they are afraid that the customs can't undertake such a heavy workload.

II. ONE MONTH AFTER NEW FORMALI-

TIES CAME INTO EFFECT IN HCMC

Hồ Chí Minh City, the busiest port in Vietnam, handled over 50% of exportation and importation of the country. Watching the operation of HCMC Customs Office where principal procedures for exporting and importing took place, we saw that:

1. Achievements

In order to prepare for implementation of the Decree 89/CP and the Decision 864/TTg, the General Department of Customs, on Jan. 28 and 29, 1996, in cooperation with the Ministry of Trade, the HCMC Customs Office and HCMC Service of Trade held a conference to give export import companies information about these regulations, supply books and documents relating to new customs formalities. From Feb. 1, 1996 on, the HCMC Customs Office carried out the Decree 89/CP and received customs declarations without requiring licence for a single batch. Although these new formalities are strange, most customs officers displayed their strong sense of responsibility and tried their best to fulfil the task. Generally, all export-import companies showed approval of the Decree 89/CP and hoped that the customs would do their job better.

2. Shortcomings

As expected, in February 1996, customs officers met with a lot of difficulties handling export and import batches. Many businesspersons had to spent a lot of time and money on completing customs formalities. In some cases, the incompetence of customs officers caused great waste of time and energy. Up to now, everything hasn't run smoothly yet. In my opinion, the following are causes of these shortcomings:

- Regarding the army of customs officers: this army is rather thin and not well-trained, although many recruits have joined this army since 1994. The number of well-trained officers is small and they were assigned unreasonably. For example, at Saigon Port where the customs have to handle a lot of imported or exported batches, there were many officers who had not enough knowledge about foreign languages and international trade, while at post offices where there are only a small amount of goods to handle, there were many officers who had diplomas in foreign languages and foreign trade.

- As for legal regulations, many terms used in these documents are vague and ambiguous and they have caused difficulties for both customs officers and businesspersons. For example: can business licenced to sell

raw materials is allowed to import wheat flour? Will sewing machine be considered as consumer goods or capital goods? Personal computer can be classed as electronic equipment (which requires licence granted by the Ministry of Trade) or as office equipment (which can be imported by any import company). In the list of goods banned from import, there is toxic chemicals, how can a customs officer decide whether certain chemicals are toxic or not?

- In exporting rice, in 1996, it is classed goods exported under quota. In the country, there are only 15 companies having export licence and one company usually act as consignee of other ones. It usually takes months to export a batch of rice. Is there any measure to improve this situation?

- Another problem is to control the realization of subcontracts signed with foreign companies. The Ministry of Trade issued the Circular 1029 TM/ĐT dated March 5, 1996 ruling that:

+ Provincial or municipal Service of Trade is authorized to grant permission to realize subcontract to businesses that receive no foreign investment.

+ The Investment Department is authorized to grant permission to realize subcontract to businesses that receive foreign investment.

This regulation helped Vietnamese businesses overcome certain difficulties but it takes businesses with foreign investment a lot of time to get permission from the Investment Department in Hà Nội.

III. SUGGESTIONS

- In order to keep on reforming procedures for exporting and importing, it's necessary to reinforce the army of customs officers, reform ways of assigning them, give proper incentive and punishment. Courses in law, foreign languages and international trade should be given to customs officers.

- The system of code for traded goods should be worked out as soon as possible, and then the Ministry of Trade will grant new licence with appropriate code to each business.

- As for goods relating to major balances of the country, especially steel, the amount imported should be worked out on the basis of domestic production capacity and demand estimated by all ministries and governmental bodies.

What mentioned above are our primary suggestions, there are many things we have to do to keep on reforming import-export procedures in future ■