OBSTACLES TO IMPORT-EXPORT PAYMENTS IN MÓNG CÁI AND TRANSFERRING FOREIGN CURRENCY ABROAD

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Móng Cái is the burstling town of import-export activities in the northern frontier, but the value of payments via banks is very low, and there are different arguments about the management of private forex counters.

According to statistics of Quảng Ninh Province Branch of State Bank, in the first six months of 2001, the branches of commercial banks in Móng Cái have made payments for 450 items of Vietnamese and Chinese traders with a total value of 121,090,900 yuans and VND231 billion, accounting for 12-13% of the export-import turnover of this area in the same period. Similarly, the sales of foreign currency and foreign exchange also attained a low result. In the past six months, the town-based banks purchased only 54,000 yuans and VND95 billion and sold the same figure. Private enterprises and traders sold mainly yuans and exchanged money at forex counters here because their exchange rate is flexible and the procedure is not troublesome and the deal is quickly finished. An enterprise owning ten thousands of yuans only agrees on the selling price, then pays yuans and receives enough Vietnamese đồng at once or a few hours later, its business partner will get adequate Vietnamese đồng in Hà Nội or HCMC.

According to statistics, at present Móng Cái has more than 200 private forex counters, there are different opinions about the management of this objective. Some managers argue that these counters should be not cancelled but they must register their business and pay tax. Meanwhile, some specialists say that these counters are required to apply for practitioner's license and pay charges only to make favorable conditions for enterprises of the two countries while commercial banks' operations are restricted by administrative procedures and working hours. At present, 80% of total trading families are Chinese. They pass the border to sell goods in the morning, close their counters and return to their home in China in the evening. They still continue to manage the business, goods supply, and prices... with Chinese partners. In contrast, there are many Vietnamese traders doing business in Dongxing (China) in the morning and go back to Vietnam in the evening.

According to statistics, in the first six months of 2001, there are 48,000 Chinese business tours to Móng Cái and 36,000 Vietnamese ones to Dongxing. In addition, in the same period, there are 12,000 Chinese people coming to Vietnam by passports and 86,000 by travel cards.

The cross-border export-import, trading, forex activities are developing and attracting many job seekers from other provinces. The general survey reveals there are 250-350 turns of Vietnamese motorbike riders waiting for carrying Chinese travelers. At the same time, as many as thousands of persons from Hải Dương, Hưng Yên, Hải Phòng, Bắc Ninh, Hà Nam, Nam Định, etc. come to Móng Cái town to work as carriers, builders, service suppliers and small traders...

According to the Prime Minister's decision, Móng Cái is a tax protection region, but regulations on currency, payments and foreign exchange are not identified.

In the past years, the Government and the State Bank have amended and supplemented or issued some regulations on forex management to attract foreign investment capital, and overseas Vietnamese remittance for economic growth, at the same time avoid dollarization and transferring foreign currency abroad.

The Government has previously required organizations to sell immediately 80% of their foreign currency earnings to banks. The proportion then went down to 50% and recently 40%, making favorable conditions for enterprises to have enough foreign currency for their import demand. The interest rate of enterprises' deposits at commercial banks is low in order to reduce hoarding foreign currency in their accounts. Since June 1, 2001, the central bank has liberalized lending interest rates of foreign currency instead of limiting them as before. This has brought our country's foreign currency interest rates in line with general conditions on interest rates in the region and the world and facilitated agreements on lending and borrowing interest rates between banks and enterprises. The compulsory reserve ratio increases from 5% to 8% and recently 15% for foreign currency deposits.

However, troubles concerning this issue are arising in realities. In the State Bank Circular 04, enterprises and individuals wishing to transfer foreign currency abroad are required to present only the profit sharing minute or decision by their management board, and at the same time tax payment certification by tax authorities. However, according to the State Bank Circular 01 which has been promulgated previously and remained valid, they have to present the statement of the auditor. These different regulations cause troubles to foreign investors. They also complain that they cannot invite an international auditing company to work at any time, moreover, the auditing is very costly, from tens to hundreds of thousands of dollars for each time of auditing and the auditing time lasts even months. This work is not feasible for all foreign or joint venture projects.

A branch of a joint venture bank in Vietnam said that after signing an export-import contract, many of their customers including foreign-invested and local enterprises had asked for purchasing the bank's foreign currency to pay their foreign partners in advance. After completing the contract, they would supplement documents needed and submit certification of fulfilling customs procedures and contract final settlement. However, the bank did not dare to do that because the central bank made no detailed regulations, so the state inspector would easily regard it as law violation. The bank also questioned what was legality of electronic signatures when Vietnam has not yet defined them, so it did not dare to sell foreign currency to enterprises.

The provision permitting enterprises to open overseas accounts in special cases has confused both banks and enterprises because it does not define what a special case is and how to manage foreign currency credit balance as well as payments in foreign countries. This frightens banks and enterprises out of doing that.

According to regulations, the enterprise's foreign currency earned from temporary import or re-export activities does not have to be sold to banks. But bank specialists argue that once foreign currency is put in the enterprise's account, it must be regarded as proceeds from sales, thus must be converted into Vietnamese đồng. Therefore, this rule should be re-examined.

In the meanwhile, families whose children will study abroad are not pleased with the procedure of transferring foreign currency overseas.

At present only the HCMC branch of State Bank is authorized to license transferring foreign currency abroad. Consequently, families living in remote provinces such as Cà Mau, Kiên Giang, the Central Highlands, Hà Giang, Sơn La, Lai Châu...and having children who will study abroad must go to HCMC or Hà Nội to apply for transferring foreign currency abroad. This causes waste of money, time and effort. They wonder why provincial branches of State Bank are not authorized to license while the Government is pushing forward administrative reform.

Furthermore, according to banking experts, those families whose children will study abroad need only to present identity cards and family registers. However, the State Bank also requires certification of the village and ward People's Committee. This is really cumbersome and annoying. That's not all, the bank allows transferring abroad only the amount of tuition based on the foreign university's statement while these families have to pay insurance, house rent, meal and travel costs, and others.

Investors and those who will study abroad petition the irrational obstacles should be removed soon. ■