

**S**ince the introduction of multi-sector economy, the private sector has developed well. According to the General Department of Statistics, there are 10,818 private businesses, 138 joint stock companies, 4,015 limited companies and 1,882,798 family businesses operating in all industries in Vietnam now. The most developed is the service industry where private businesspersons gained a predominance. Together with the public sector, the private sector has helped with developing production and distribution; satisfying market demands; stabilizing markets, controlling inflation and supplying new jobs. The birth and development of private sector has enhanced the competition in the market and forced the public sector to improve itself.

However, in our estimation, besides positive effects as stated above, operation of the private sector and the government's control over this sector revealed many troublesome problems which are as follows:

- Many companies didn't register at the related government offices. Although there are different numerical data about number of businesses that have registered and paid taxes but, according to the General Department of Statistics, only 34% of family businesses have registered and 43.3% of these registered businesses paid taxes. These data show that law breaking is becoming very common and we should take measure to prevent it, to ensure budget income and the fair competition between different economic sectors.

- Avoiding registration, doing business against what was registered, failing to fulfil requirements, smuggling, trading in banned or fake products, deceiving customers, evading taxes... are common everywhere, especially in big cities, border districts, etc.

- Government offices haven't controlled, directed and monitored private businesses regularly and carefully although they play a leading role in helping businesses do everything

required by law and in detecting violations.

In our opinion, the said facts produce bad effects on production and social order, and on law-abiding businesspersons. To encourage lawful development of the private sector and prevent violations from occurring, certain urgent measures should be taken to enhance the government control over this sector, and for the time being, to carry out the decree of the Prime Minister relating to registration of companies.

To carry out these measures, it requires that all ministries, government agencies and people committees of all levels have to find ways to force private businesses to register (for tax purpose particularly) and to make

the regular task of government bodies at all levels. On the basis of registration of private businesses, the taxation could be done exactly, budget deficit could be reduced and the practice of keeping business accounts could become a common standard.

Studying surveys made by the General Department of Statistics, we thought that related government bodies had to inspect all private businesses in order to gather detailed information about each business, product and occupation. Basing on gathered information, government bodies could help and force all private businesses to make registration, do business according to what are registered, pay taxes correctly, keep business accounts properly and fulfil requirements for trading certain goods. In short, this is an effort to restore order in the market.

Procedures for registering companies are complicated and inconsistent. They cause businesspersons much annoyance and give them chances to avoid registration, therefore we think that the Ministry of Trade had better sum up the realization of Decrees 221/HĐBT, 222/HĐBT and 66/HĐBT on registration of companies and then, suggest amendments to the Government in order to put the control over registration of companies in order.

sure that their operation is lawful.

Government bodies should take measures to overcome shortcomings in keeping registration of companies, concentrate on carrying out strictly decrees and rules issued by the Government. This must be considered as

Moreover, it's necessary to improve government bodies at district level with a view to helping them deal with complicated development of the market and private sector, and keep operation of this sector under control.

## CONTROLLING ENTERPRISES IN PRIVATE SECTOR

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