

The Party's sixth congress (December 1996) has launched economic renovation, changing the centrally-planned economy into socialist-oriented market economy. The economy of Long An Province is agriculture. Its major product is rice, and farmers account for 70-80% of the population. The

48.7%. The bank currently has also two employees attending MA courses in finance, credit and money circulation. With the existing staff, it has expanded its operations over the province. At the beginning, it had only 1 head office and 10 district branches, but now it has 21 subsidiaries.

times) and VND1,881.6 billion in September 2002, increasing 29.8 times over 1988. This has curbed negative effects of usury in rural areas and promoted business performance. The annual outstanding loans also climbed accordingly, from VND21.3 billion in 1988 to VND1,461.5 billion in September

# LONG AN BANK FOR AGRICULTURE AND RURAL DEVELOPMENT 15 YEARS OF CONSTRUCTION AND PERFORMANCE (1988-2003)

by MEcon. ĐOÀN THỊ HỒNG

province has made great efforts to reclaim the Đồng Tháp Mười land over the past years, so its economy has recorded promising achievements.

The Long An banking system has changed into the two-level one: the central bank and the network of commercial banks and credit institutions. This is just a breakthrough paving the way for economic development.

On June 20, 1988, the Vietnam State Bank promulgated Decision 21/NH-TCCB-ĐT to establish the Long An Bank for Agriculture and Rural Development (BARD) — a branch of Vietnam Bank for Agriculture and Rural Development with its head office in Tân An Town and 10 offices in Districts of Đức Hoà, Tân Trụ (formerly Vàm Cỏ), Bến Lức, Cần Đức, Cần Giuộc, Mộc Hoá, Tân Thạnh, Thủ Thừa, Đức Huệ and Vĩnh Hưng. The head office includes departments of general planning, payment accounting, personnel and administration, people's credit, investment for basic construction and the team of cashiers.

The Long An BARD has streamlined its staff and paid full attention to training the human resource with the aim to adapt itself to the market mechanism and gain a firm foothold in the money market. At the start, the bank's employees with university degree represented only 9.2%; high school 39.8%; primary school 43.6% and untrained 7.4%. However, until September 2002, it had 425 workers including graduates from university 35% and from vocational schools

The bank has made strong and comprehensive reforms in all business scopes including capital mobilization, credit investment, external payment services. Its efforts have a lot of good effects on the province's socio-economic growth rate, especially after the financial crisis in 1988 and 1989 when a series of credit funds, credit co-operatives ran into collapse. The bank applied positive measures as follows:

- Actively enhancing the capital resource to meet requirements for local economic development by renovating forms of services, attracting the public dead money into saving deposits, opening current accounts for payment and issuing bills. These efforts have speeded up the bank's capital mobilization from VND10.3 billion in 1988 to VND19.3 billion in 1991 and VND777.8 billion in September 2002, up 40.3 times as compared to 1991. This figure accounts for 56% of attracted capital of the whole credit institutions over the province. It had no issue of bills in 1988, 1989 and 1990, but in 1996, its bill issue registered VND12.6 billion.

- Credit investment for the province's strategy on economic development: It is noteworthy that the bank has not only increased its capital investment but also restructured investment and given loans to various economic sectors, especially production families to serve the province's programs on agricultural development. The value of loans rose over years from VND63.16 billion in 1988 to VND 236.5 billion in 1991 (up 3.7

2002, up 68.6 times. This amount represents 54.3% of the province's total outstanding loans. The Long An BARD really becomes the farmers' companion because it has pumped money to farming production from 27,168 borrowers in 1991 to 170,256 in 2002 and 70% of local clients takes regular loans from the Long An BARD.

When the national economy made strong shift to the market mechanism in 1990 and 1991, a lot of state-owned enterprises went into the red, the bank's credit was frozen and overdue debts accounted for 60-70% of outstanding loans. The bank had to implement positive and strong measures to control and reduce overdue debts, thus its overdue debts dropped to 3% in 1996 and 1% in September 2002.

- Investment in target programs: The bank provide money on time and adequately for the purchase of food and goods, meeting requirements of spending, reserve and export. This has contributed to the price stabilization and socio-economic growth and export promotion. In addition, the Long An BARD offers loans for building anti-flood houses and helps stabilize life and production of the flood-hit residents.

Moreover, the Long An BARD often joins charity activities such as: supporting 13 Vietnamese Hero Mother with annual supply of VND23.4 million; building 15 charity house with total cost of VND225 million; and contributing VND300 million to relief funds ■