

*London Chamber of Commerce and Industry Examinations Board (LCCIEB)* is well-known worldwide for its internationally recognised awards. LCCI's first public exams were held for UK citizens in 1887. Since 1893, its exams have been extended overseas. However, LCCIEB's "brand name" was made known to Vietnamese people only in late 1996, when it financed and co-operated with *National Institute for Educational Development (NIED)* to hold a three-day seminar on Book-Keeping and Business English at Hanoi Hotel (23-25 Oct) and a "repeat" training seminar at HCMC Majestic Hotel (28-30 Oct). The latter was attended by approximately 40 teachers from three HCMC language centres, one of which was *Language Centre for Economic and Commercial Studies (LCECS)* of College of Economics.

Both the two seminars in Hanoi and HCMC were conducted by Paul Paice, LCCIEB Training Services Manager, and two experts: Andrew M Lymer (Book-Keeping); Allan Sharples (Business English). These seminars were a joint effort of LCCIEB and its exclusive co-ordinator in Vietnam NIED.

# LCCIEB A TURNING- POINT INTRODUCTION IN INTO TEACHING ENGLISH VIETNAM, FOR BUSINESS

**Text & Photo by LÊ ANH DŨNG, LCECS**  
(College of Economics, VN National University - HCMC)

It took LCCIEB nearly two years to introduce its renowned certificates and diplomas to Vietnam, the 88th country in its over-100-year-old international training network. In early

1995, at the request of Liam Swords, LCCIEB's Chief Executive, a research team from NIED and Alistair Ware, of CfBT (*Centre for British Teachers*), then Visiting Expert at NIED conducted field interviews to examine the potential for existing local language centres to administer and teach LCCIEB examinations in English.

A detailed report on the findings that Liam Swords received in April 1995 formed a basis for his direct contact with some Vietnamese bodies. Paying his first visit to HCMC on 16 Nov 95, accompanied by his colleague and Jane Muir, of *Archibald Grahame (Services) Ltd*, he discussed with the leaders of College of Economics and its LCECS.

Besides the matters raised and possible solutions relating to the establishment as well as the development of LCCIEB examinations in Vietnam, Liam Swords was impressed by the fact that most local teachers of Commercial English were not professionally trained for their existing classes, and that they all should have been supported by a prestigious body of internationally recognised qualifications like LCCIEB.

Coming back to London, Liam



**Nick Carter,  
British Consul General in HCM**

structure would, for him, cover the administrative requirements for the examinations, the arrangements with the selected training centres and the full support package of teacher training, materials for students, etc.

After negotiations with the MOET (*Ministry of Education and Training*) in Hanoi concerning the exact conditions for the provisions of LCCIEB examinations in Vietnam, Liam Swords returned to Hanoi in late June 1996 to conclude matters. He could not achieve what he had been seeking until mid July: the inevitable authority and approval from the MOET; and the signing ceremony of a formal agreement between LCCIEB and NIED, witnessed by H.E. British Ambassador to Vietnam.

Later, six college language centres (three in Hanoi; three in HCMC) were recognised as LCCIEB registered training centres. These leading centres are to be provided with a full supporting service of course materials, publications and especially teacher training at no cost through LCCIEB experienced examiners.

For local teachers who were officially chosen and sent to the recent LCCIEB seminars by their own centres, they were given various typical samples of exam papers as well as good examples of a new approach to assess Business English skills of their coming candidates. Thus, they could shape in their mind at least initial concepts of what they would prepare for the expected courses leading to LCCIEB awards in the second half of the target year 1997. In other words, a new challenging job is available for them as soon as the seminars ended.

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Swords had to determine the most suitable frame work for bringing LCCIEB's awards into Vietnam with the assistance of training institutions such as LCECS and the like. This

**R**isk is something as old as the hills. Risk refers to something that may happen, a change of loss, a luck going unnoticed or an unforeseen fact with bad consequences.

In banking business, credit is the case assumed for the possible nonpayment or overdue of credit extended. Supplying credit is one of main operations of banks, so credit risk can lead to disastrous consequences, or even bankruptcy. Unlike the collapse of a trading company or factory, the breakdown of a bank could produce a domino effect in the banking system. As the nervous system of the economy, the banking system's collapse certainly leads to temporary or prolonged crises in the economy with unpredictable bad effects. That is why banks always try their best to limit risk, especially credit risk.

and overdue debts. These debts represented 14% of total debits in state-run banks.

There are many causes of this alarming phenomenon. One of them is that the borrowing capacity of companies is low. They can hardly become equal trading partners of banks and repay debts when due, so they make the credit risk likelier. In bank's policy, companies can borrow a sum of money equivalent to their capital. According to company statistics up to Dec.31,1995, private businesses, representing 54% of total companies, have an average capital of VND165 million each; limited companies, representing 22%, have an average capital of VND 790 million each (1). Their need for working capital is enormous, so in theory, they can't borrow big loans from banks, but in fact, they can secure large sums of money in spite of banks' policy. A

Article 25 of the Company Act ruled that all limited companies have to accumulate capital enough before their establishment and they aren't allowed to issue shares. Article 30 rules that all joint stock companies are allowed to issue shares. This enables joint stock companies to secure bigger working capital than limited companies do. Thus, to increase capital of a company, the following measures could be taken:

- The Government can increase the level of legal capital for each kind of company with a view to making it more appropriate to the current economic development. This measure will force companies to increase their capital.

- Joint stock companies can issue more shares in order to increase their working capital.

- Limited companies and private businesses can increase their capital by forcing their founders to contribute more money or changing into public limited companies.

In a situation where private companies and limited companies represent 70% of companies in Vietnam, to accelerate the equitization of them could help them improve their borrowing capacity and reduce credit risk for the banking system. In addition, the public could share risk with the banking system by buying shares. This could be also considered as a way to deal with credit surpluses in commercial banks in the past few months.

(1) *Thông tin khoa học ngân hàng* (Banking Science Information Magazine) June, 1996, P.24

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# INCREASING CAPITAL OF COMPANY

## A MEASURE TO LIMIT RISK IN BANKING BUSINESS

by LÊ THỊ HIỆP THƯƠNG

Until recently, activity of the banking system has developed well. In 1995, the short-term debit increased by 36.7%, the long-and medium-term debit by 24.6%. Loans have been supplied to all social classes. Loans supplied to non-state sectors represented 41.5% of total debit (compared with 36% in 1994). However, there are signs of potential credit risk: in 1995, the overdue debt increased by 0.26% compared with 1994 (not including written-offs). Many banks suffered big bad debts

trading company with total capital of VND5,456 million has been loaned VND5,950 million plus US\$605,000 (VND6,650 billion); Van Thành Company in Đồng Tháp borrowed from Eximbank VND3 billion to buy rice for export while its assets were valued at VND550 million only. Giving loans against bank's policy is common in most commercial banks. This fact shows that bank's policy on supplying loan needs to be improved and companies have to try their best to increase their capital.

Among the attendance at the closing ceremony at Majestic Hotel, 3.30 pm, 30 October, was Prof. Nguyễn Ngọc Giao, Vice President of the Vietnam National University, HCMC. Besides leaders of the two colleges (Lotus, Agriculture & Forestry) were Prof. Đào Văn Tài, Editor-in-Chief of *Economic Development Review* and Prof. Nguyễn Thành Xương, Vice Rector of College of Economics, who had talked with Liam Swords last November. Another distinguished guest was H.E. Nick Carter, British Consul General in HCMC, whose formal speech seemed to emphasize the importance of LCCIEB's participation in the two big animated English training "markets" in Vietnam: Hanoi and HCMC. LCCIEB's presence might be regarded as another imprint on the development of educational co-operation between the two countries.