

BULLETIN

Public Debt

N^o2

MINISTRY OF FINANCE
SOCIALIST REPUBLIC OF
VIET NAM

Statistic tables

2010 - 2012

Hanoi, October - 2013

**Department of Debt Management and External Finance
Ministry of Finance
Socialist Republic of
Vietnam**

28 Tran Hung Dao Str.,
Hoan Kiem, Ha Noi
Viet Nam

Tel: +84.4.2220.2828

Fax: +84.4.2220.2868

Email: taichinhdoingoai@mof.gov.vn

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Preface

The regulation of collecting, compilation, reporting and publishing of public debt information was promulgated by the Decree No 79/2010/ND-CP of the Government dated July 14th 2010 on Public Debt Management operations. This Public Debt Bulletin is published in compliance with provisions on public debt information disclosure of the above-mentioned Decree.

The Bulletin reports on public debt of Vietnam. It will be produced on a semi-annual basis with time lag of 6 months.

The public debt information is compiled by The Department of Debt Management and External Finance, Ministry of Finance of Vietnam based on data provided by relevant departments of Ministry of Finance (Department of State Budget, Department of Banking and Financial Institutions, State Treasury).

This Bulletin contains stock and flow data (both actual and projected for a given period).

To avoid misinterpretation of the data presented on each table, it is necessary to understand correctly the coverage, classifications and definitions of the technical terms used in this bulletin. This information is provided in Part I. General introduction for reference.

We would like to introduce Bulletin No.2 on Public Debt of Vietnam for the period 2010-2012. The statistical data for the year 2011 were adjusted based on the final accounts of the State Budget approved by the National Assembly. The statistical data for the year 2012 shall be revised following the respective final accounts of the State Budget. Comments from readers are highly appreciated in order to improve the Bulletin.

Comments on the Bulletin on Public Debt should be sent to:

**Department of Debt Management and External Finance, Ministry of Finance
Socialist Republic of Vietnam**

28 Tran Hung Dao st.,
Hoan Kiem, Ha Noi
Viet Nam

Tel: +84.4.2220.2828

Fax: +84.4.2220.2868

Email: taichinhdoingoai@mof.gov.vn

FOR THE BOARD OF EDITORS



Nguyen Thanh Do
General Director

Department of Debt Management and External Finance
Ministry of Finance



PART I

General introduction

Acronyms and abbreviations

Creditors/Donors

ADB	Asian Development Bank
IDA	International Development Association
IFAD	International Fund for Agricultural Development
IMF	International Monetary Fund
NDF	Nordic Development Fund
NIB	Nordic Investment Bank
OPEC	Organization of the Petroleum exporting countries
OFID	OPEC Fund for International Development
EIB	European Investment Bank

Currencies

AUD	AUSTRALIAN DOLLAR	KWD	KUWAITI DINAR
CAD	CANADIAN DOLLAR	MYR	MALAYSIAN RINGGIT
CHF	SWISS FRANC	NOK	NORWEGIAN KRONE
CNY	CHINES YUAN RENMINBI	NZD	NEW ZEALAND DOLLAR
DKK	DANISH KRONE	SDR	SPECIAL DRAWING RIGHTS
EUR	EURO	SEK	SWEDISH KRONA
GBP	POUND STERLING	SGD	SINGAPORE DOLLAR
INR	INDIAN RUPEE	THB	THAILAND BAHT
JPY	JAPANESE YEN	USD	UNITED STATES DOLLAR
KRW	KOREAN WON	VND	VIETNAMESE DONG

Others:

MOF	Ministry of Finance of Vietnam
DMEF	Department of Debt Management and External Finance
DMFAS	Debt management and Financial Analysis System
BOP	Balance of Payment

Coverage

The report provides information on the Public Debt of Vietnam, it includes Central Government debt and Government-guaranteed debt.

The data of provincial debts and non-guaranteed external debts of enterprises under the self-borrowing and self-repayment modality are not included in this Bulletin.

Methodology

Methodology for data aggregation

Using the United Nations Conference on Trade and Development's (UNCTAD) Debt Management and Financial Analysis System (DMFAS), MOF compiles data from detailed loan records and provides aggregated reports on the total external debt of Central Government and Government-guaranteed external debts. The data of the Government domestic debt and Provincial authorities' debts are collected from statistic reports.

Conversion to a common currency

To produce the summary tables, the debt data have to be converted into a common currency, either U.S. dollar or Vietnamese dong. The conversion is executed as follows:

- Stock figures, such as debt outstanding, are converted using end-period exchange rates;
- Flows figures, such as debt services and disbursement during the reporting period, are converted using exchange rates as of the date of each transaction.

Exchange rates are determined for its transactions once per month. A clearing exchange rate for each month is provided for on the 25th of the previous month.

Classifications

The public debt classifications follow the provisions of Law on Public Debt Management and comply with internationally adopted standards, as presented in *Public Sector Debt Statistics: Guide for Compilers and Users*¹.

Revision Policy

Figures, presented on the column with symbol "(P)", are provisional and, therefore, subject to revision. This is because information on some transactions, especially disbursements, sometimes arrive three to six months after the end of reporting period. As a result, figures on outstanding and disbursement might not represent actual conditions.

To overcome this problem, in the subsequent six months, the revision to these figures will be made with an "(R)" symbol, which stands for "revised".

¹ Bank for International Settlements, Commonwealth Secretariat, Eurostat, International Monetary Fund, Organization for Economic Co-operation and Development, Paris Club Secretariat, United Nations Conference on Trade and Development and World Bank (2011), *Public Sector Debt Statistics: Guide for Compilers and Users*.



Sources

Debt data

The main sources of information for this Bulletin are the database of public debt of Vietnam administered by MOF using DMFAS and statistical reports.

Reference data

The reference data or common information required in administering the debt data and/or transactions are composed of:

- Exchange rates;
- Common interest rates/variable interest rates, such as LIBOR, SIBOR, etc.

The exchange rates applied for converting transactions (disbursement and debt services) and/or stock and projected flow figures obtained from the Monthly Clearing Rate provided for on 25th of each month applicable for the following month, for budget records purposes.

PART II

STATISTICS DEBT DATA

Exchange rates

Currency/1 USD

Currency	Date		
	31 Dec. 2010	31 Dec. 2011	31 Dec.2012
AUD	1.03648	1.00634	0.95849
CAD	1.01750	1.03498	0.99280
CHF	0.99860	0.92281	0.92618
CNY	6.66681	6.37738	6.22660
DKK	5.68533	5.58470	5.73774
EUR	0.76103	0.75104	0.76924
GBP	0.64238	0.64354	0.62336
INR	45.72947	52.13784	54.5235
JPY	84.11979	77.91386	82.3241
KRW	1,148.78600	1,155.72220	1,096.21100
KWD	0.28110	0.27690	0.28145
MYR	3.15200	3.18186	3.03792
NOK	6.14500	5.89153	5.67365
NZD	1.34120	1.32377	1.21566
SDR	0.65540	0.64451	0.65154
SEK	6.96790	6.92971	6.65431
SGD	1.31710	1.30043	1.22000
THB	30.18976	31.28271	30.67452
VND	18,932.00000	20,803.00000	20,828.00000

Table 5.01

PUBLIC DEBT AND NATIONAL EXTERNAL DEBT INDICATORS

Indicators	2010	2011	2012
Public debt/GDP (%)	56.3	54.9	55.7
National external debt/GDP (%)	42.2	41.5	41.1
Medium and long-term Government external debt service/export of goods and services (%)	3.4	3.5	3.5
Government's Outstanding debt / GDP (%)	44.6	43.2	43.3
Government's Outstanding debt / Budget revenue (%)	157.9	162.0	172
Government's Debt service/ Budget revenue (%)	17.6	15.6	14.6
Contingent liability debt service / Budget revenue (%)	5.5	6.7	9.8
Ceiling of Commercial and Government guarantee external debt borrowing (million USD)	2,000.0	3,500.0	3,500.0

Table 5.02

CENTRAL GOVERNMENT DEBT
2010 – 2012

(Million USD, Billion VND)

	2010		2011		2012	
	USD	VND	USD	VND	USD	VND
OUTSTANDING ⁽¹⁾	46.978,07	889.388,73	52.529,01	1.092.761,48	61.031,96	1.277.173,14
External	28.008,30	530.253,02	32.032,50	666.372,68	34.872,20	726.317,61
Domestic	18.969,77	359.135,71	20.496,51	426.388,80	26.159,76	550.855,53
DISBURSEMENT ⁽²⁾	11.423,99	210.952,73	10.029,65	204.452,76	13.548,72	282.179,18
External	4.677,89	85.959,33	3.835,25	78.588,66	4.446,32	92.605,78
Domestic	6.746,10	124.993,40	6.194,40	125.864,10	9.102,40	189.573,40
DEBT SERVICE PAYMENT ⁽²⁾	4.702,80	87.104,50	5.184,76	110.633,53	6.703,03	133.778,39
External	1.125,58	20.843,37	1.288,83	26.185,79	1.418,86	29.549,62
Domestic	3.577,22	66.261,13	3.895,93	84.447,74	5.284,17	104.228,77
<i>In which:</i>						
Principal payment	3.379,16	62.601,58	3.818,22	78.449,86	4.029,27	83.457,82
External	718,11	13.312,70	800,03	16.277,75	880,88	18.345,50
Domestic	2.661,05	49.288,88	3.018,19	62.172,11	3.148,39	65.112,32
Interest and Commissions payment	1.323,65	24.502,92	1.366,53	32.183,67	2.673,75	50.320,56
External	407,48	7.530,67	488,80	9.908,04	537,98	11.204,12
Domestic	916,17	16.972,25	877,73	22.275,63	2.135,77	39.116,44

(1) Exchange rate at the end of period

(2) Exchange rate as of day of transaction

Table 5.03

GOVERNMENT GUARANTEED DEBT
2010 – 2012

(Million USD, Billion VND)

	2010		2011		2012	
	USD	VND	USD	VND	USD	VND
OUTSTANDING ⁽¹⁾	11.935,00	225.953,42	13.862,17	287.374,75	16,454.02	342.704,30
External	4.732,97	89.604,65	5.611,41	116.734,15	7.229,82	150.582,72
Domestic	7.202,03	136.348,77	8.250,76	171.640,60	9.224,20	192.121,58
DISBURSEMENT ⁽²⁾	3.896,81	72.378,45	3.896,55	82.204,72	5.058,08	105.345,49
External	1.044,89	19.536,45	1.257,31	25.892,40	2.283,95	47.569,32
Domestic	2.851,92	52.842,00	2.639,24	56.312,32	2.774,13	57.776,17
TỔNG TRẢ NỢ TRONG KỲ ⁽²⁾	1.844,25	34.183,56	2.301,01	46.925,52	3.512,76	73.158,27
External	527,50	9.765,36	616,55	12.533,13	876,41	18.251,79
Domestic	1.316,75	24.418,20	1.684,46	34.392,39	2.636,35	54.906,48
<i>In which:</i>						
Principal payment	1.191,18	22.090,99	1.417,89	28.935,09	2.392,94	49.836,50
External	337,52	6.256,68	415,78	8.465,12	644,38	13.419,63
Domestic	853,66	15.834,31	1.002,11	20.469,97	1.748,56	36.416,87
Interest and Commissions payment	653,08	12.092,57	883,12	17.990,43	1.119,81	23.321,77
External	189,98	3.508,68	200,77	4.068,01	232,03	4.832,16
Domestic	463,10	8.583,89	682,35	13.922,42	887,78	18.489,61

(1) Exchange rate at the end of period

(2) Exchange rate as of day of transaction

Chart 1

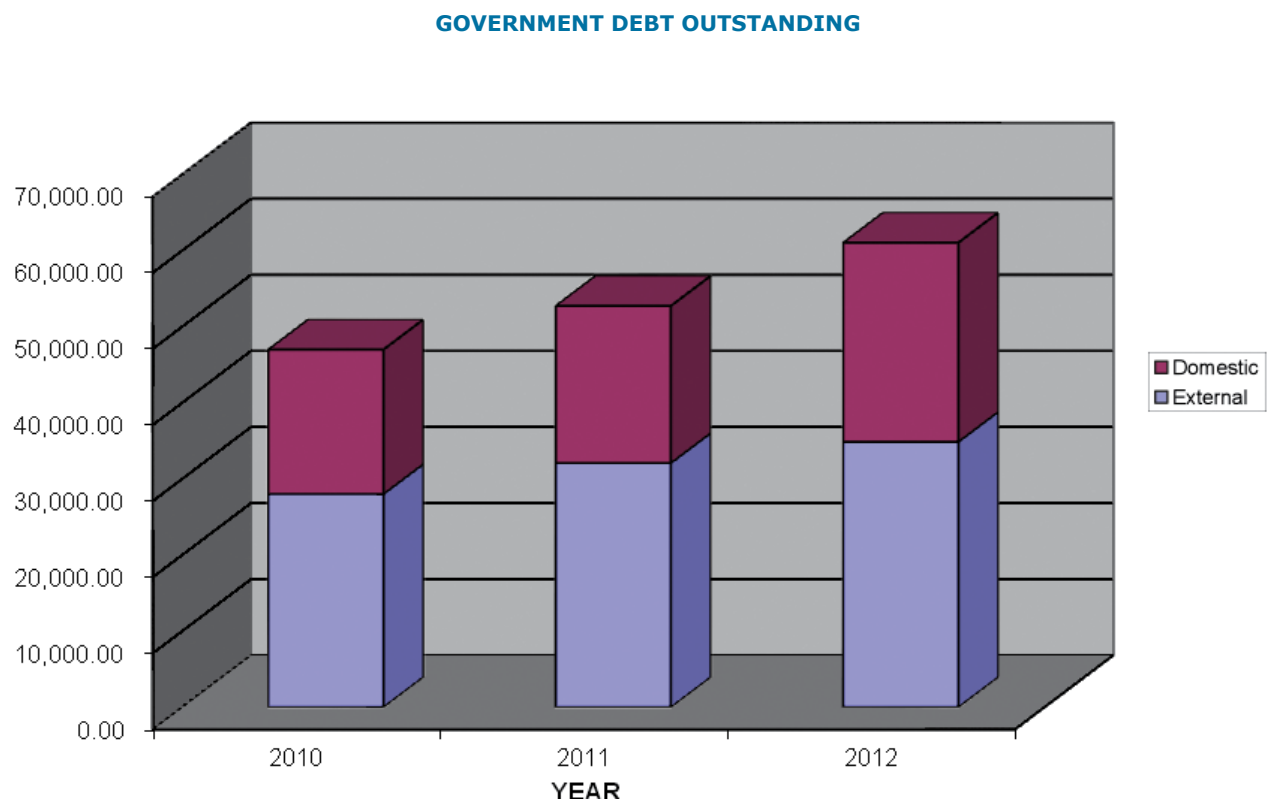
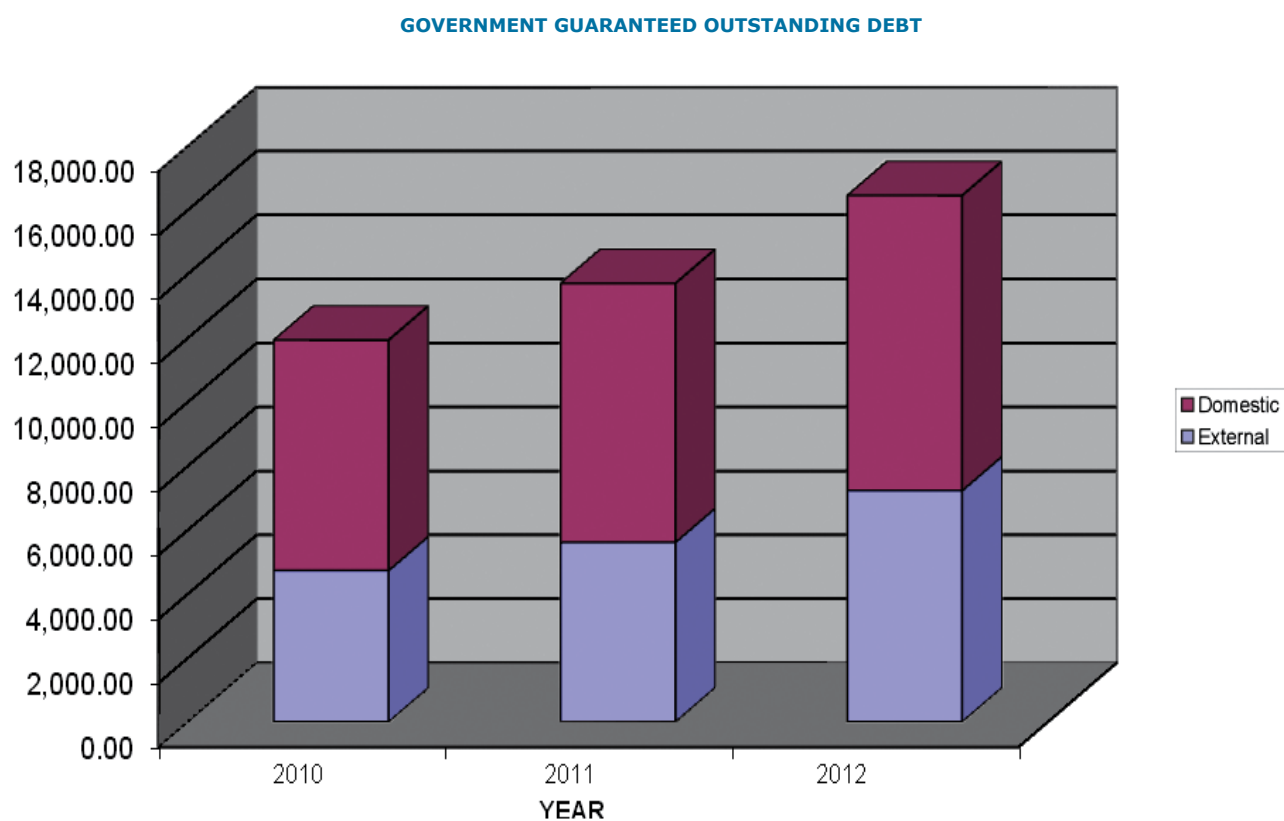


Chart 2



PART III

Definitions

Arrears

Amounts that are past-due-for-payment and unpaid. Arrears can arise as a the consequence of either or both late payment of principal, interest on debt instruments and late payments for other instrument transactions.

Bilateral Loans

See “*Official credits*”.

Bonds

These instruments give holders unconditional right to a fixed money income or contractually determined variable money income. They are usually traded in organized markets or other financial markets.

Bond Holders

These are all holders of bonds and other securities, including those issued by commercial banks and other financial institutions.

Capitalized Interest

Capitalized interest is the conversion of accrued interest costs or future interest payments, by a contractual arrangement with the creditor, to a new debt instrument or the principal amount. The most common form of capitalization is the reinvestment of interest costs into the principal amount, either because of an explicit agreement regarding the specific debt instrument or as part of a rescheduling agreement.

Commitment

A firm obligation to lend, guarantee, or insure

resource of a specific amount under specific financial terms and conditions.

Concessional Loans

These are loans that are extended on terms substantially more generous than market loans. The concessionality is achieved either through interest rates below those available on the market or by grace periods, or a combination of these.

Creditor Country

The country in which the creditor resides. In Paris Club terminology, it is an official bilateral creditor.

Debt Conversion

The exchange of debt for a non-debt liability, such as equity, or for counterpart funds, such as can be used to finance a particular project or policy.

Debt Outstanding (and Disbursed)

The amount that has been disbursed but has not, as yet, been paid back or forgiven.

Debt Reorganization

An action taken jointly by a creditor and a debtor that result in a change of the debt service profile in order to ease the burden of that profile. This action may take the form of debt reorganization lending or debt relief grants. In the latter case the action may be taken unilaterally by the creditor. Debt reorganization includes debt forgiveness, rescheduling and refinancing operations.

Debt Rescheduling

Debt rescheduling refers to the formal deferment of debt service payments and the application of new and extended maturities to the deferred amount. Rescheduling debts is one means of providing a debtor with debt relief through a delay and, in the case of concessional rescheduling, a reduction in debt-services obligations.

Debt Service

Refers to payments in respect of principal, interest and fees. Actual debt service is the set of payments actually made to satisfy a debt obligation, including principal, interest and any late payment fees. Scheduled debt service is the set of payments, including principal, interest and fees, that is required to be made through the life of the debt.

Disbursement/Drawing

The transactions of providing financial resources. The two counter parties must record the transaction simultaneously. In practice, disbursements are recorded at one of several stages: provision of goods and services (where trade credit is involved); placing of funds at the disposal of the recipient in an earmarked fund or account; withdrawal of funds by the recipient from an earmarked fund or account; or borrower. The term “utilized” may apply when the credit extended is in a form other than currency. Disbursements should be recorded gross—the actual amount disbursed.

EURIBOR (Euro Inter-Bank Offered Rate)

The EURIBOR is the European inter-bank base rate that replaced the national inter-bank rates (IBOR) in the countries participating in the European Monetary Union from 1 January 1999.

EURO

The EURO is the European currency launched on 1 January 1999. As a consequence, the currencies of the countries participating in the Monetary Union are no longer quoted on

the foreign exchange markets.

EURO LIBOR

The EURO LIBOR is calculated by the British Banker’s Association as an unweighted average of the money market rates for the euro provided by a panel of banks.

See “EURIBOR”.

Fee

A payment for a service, for instance commitment fee, agent fee, management fee.

Fixed Rate Debt

Debt instruments which its interest costs are not linked to any reference index.

Floating Rate Debt

Debt instruments that its interest costs are linked to a reference index—for example, LIBOR (London inter-bank offered rate), or the price of specific commodity, or the price specific financial instrument that normally change over time in a continuous manner in response to market pressures.

Government Bond

Means the bond issued by the Ministry of Finance to raise funds to finance State Budget or other specific investment projects and/or capital construction works.

Government Guaranteed Bond

The bond is issued by enterprises to raise capital for investment projects and guaranteed by the Government.

Government Debt

Government debt means the debt incurred by domestic, external borrowing that has been entered into or issued in the name of the State or on behalf of the Government, and/or by any other borrowing agency that has been contracted or issued or authorized for issuance by the Ministry of Finance. The Government debt thereof does not comprise of the debt issued by the State Bank of Vietnam for the implementation of monetary policy corresponding to each period.

Government Guaranteed Debt

Government guaranteed debt means the debt incurred by domestic and external borrowing by financial and/or credit institutions or other enterprises, whose repayments are guaranteed by the Government.

Interest

For the use of principal, interest can, and usually does, accrue on the principal amount, resulting in an interest cost for the debtor. When this cost is paid periodically, as commonly occurs, it is known as an interest payment. Interest can be calculated either using a fixed-interest rate or a variable-interest rate basis.

Late Interest

Compensation (penalty) one party has to pay to another party in the event of the first party failing to meet its obligations, or some of its obligations, under the terms of a loan contract.

London Club

A group of commercial banks whose representatives meet periodically to negotiate the restructuring of debts of sovereign borrowers. There is no organizational framework for the London Club comparable to that of the Paris Club.

Multilateral Creditor

These creditors are multilateral institutions such as the IMF and the World Bank, as well as other multilateral development banks.

Multilateral Loans

See “Official credits”.

National External Debt

National External Debt means the total of the external outstanding debt stock of the Government, the external outstanding debts guaranteed by the Government and other external outstanding debts of enterprises and other institutions under the method of self-borrowing and self-repayment in pursuance to applicable Vietnam legislation.

Net Flow

From the viewpoint of a loan, the net flow is gross disbursements less principal repayments.

Net Transfer

From the viewpoint of a loan, the net flow is gross disbursements less principal repayments and interest and commission payments.

Official Credit

Also called official loans.

Official credits include bilateral loans as well as loans from multilateral organizations:

- Bilateral loans are loans from governments and their agencies (including central banks), loans from autonomous bodies, and direct loans from official export credit agencies.

- Loans from multilateral organizations are loans and credits from the World Bank, regional development banks, and other multilateral and intergovernmental agencies. Excluded are loans from funds administered by an international organization on behalf of a single donor government (these are classified as loans from governments).

Official Creditors

Public sector creditors, including multilateral organizations. External debt owed to official creditors might also include debt that was originally owed to private creditors, but was guaranteed by a public entity in the same economy as the creditor e.g., an export credit agency.

Official Development Assistance (ODA)

Flows of official financing administered with the promotion of the economic development countries as the main objective, and which are concessional in character with a grant element of at least 25 percent (using a fixed 10 percent rate of discount). By convention, ODA flows comprise contributions of donor government agencies, at all levels, to developing countries (“bilateral ODA”) and to multilateral institutions. ODA receipts comprise disbursement by bilateral

donors and multilateral institutions. Lending by export credit agencies – with the purpose of export promotion – is excluded.

Official Development Assistance (ODA) Loans

Loans with a maturity of over one year meeting the criteria set out in the definition of ODA, provide by governments or official agencies and for which repayment is required in convertible currencies or in kind.

Paris Club

A forum in which debt relief is provided by governments belonging to the DAC (Development Assistance Committee) of the OECD (Organization of Economic Cooperation and Development). The Chairman and the Secretariat are provided by the French Treasury. Any other official creditors other than those of the OECD may take part in the negotiations to reorganize the debt of one of their debtors. The Paris Club agrees the basic terms of the rescheduling – the consolidation period, the cut-off date, the grace period, the repayment period and the coverage of the agreement – which are set out in the agreed minute. However, the agreed minute has no legal status, and the rescheduling is actually put into effect by a series of bilateral agreements negotiated separately by each individual creditor some time after the Paris Club agreement. The bilateral agreements also set the interest rate on the rescheduling for the debts owed to each individual creditor.

Principal Repayment

An actual payment made by the debtor to the creditor to cover principal reimbursement due, in accordance with the amortization table.

Principal Outstanding

The principal amount which has been disbursed but has not repaid by the debtor at a certain time

Private Credits

Private credits are debt instrument extended by private creditors. It can include publicly issued or privately placed bonds, loans from

commercial banks (including private banks and private financial institutions) and all other private loans such as credits from exporters and other suppliers as well as bank credits covered by a guarantee of an export credit agency.

See “Private creditors”.

Private Creditors

Creditors that are neither governments nor public sector agencies. These include private financial institutions, and manufacturers, exporters and other suppliers of goods that have financial claim

Provincial Bond

the bond is issued or authorized for issuance by the Provincial People’s Committee to raise capital for the capital construction works and/or investment projects.

Provincial Debt

Means the debt signed, issued or authorized for issuance by the Provincial People’s Committees or People’s Committees of Cities under central government management (hereinafter referred to as Provincial People’s Committees).

Refinancing

Refinancing is type of agreement or the financing type of a loan. It refers to an agreement by a lender or an agency acting on behalf of the lender, to finance service payments arising from earlier borrowing by extending a new loan for this purpose.

Short-Term Debt

Debt that has maturity of one year or less. Maturity can be defined either on an original or remaining basis.



Responsible for publishing by:
Dr. Nguyen Thanh Do

Edited by:
Dang Quang Huy
Vo Huu Hien
Dao Thi Xuan Phuong
Hoang Thi Minh Huyen
Tran Thi Thu Huong
Nguyen Thanh Hoa
Vu Binh Duong

Presented by:
Dang Quang Huy

Designed by:
Vuong Toan Hoang

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