

# Annual Report 2006



VIETNAM NATIONAL REINSURANCE CORPORATION

Annual Report  
2006



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# 01

## Message from Chairman & CEO





### ***Economic and industry background***

The year 2006 was full of good news for Vietnam economy when the country successfully completed its accession process to the World Trade Organisation (WTO) and enjoyed a flourishing in foreign investment inflow. With GDP growth of 8.15 per cent and foreign investment increasing by almost 50 per cent, the insurance industry still enjoyed a favourable environment for its development although natural catastrophes and epidemics also constituted a major concern for local insurers.

Premium volume of the entire market (life and non-life combined) rose 9.6 per cent to VND14,954 billion. The growth was fuelled largely by the good performance of the non-life sector which increased by 18.5 per cent whilst the life sector still looked gloomy with growth rate of just 3.6 per cent.

### ***Business performance***

Due to a sharp fall in the amount of aviation reinsurance written in 2006 because of the change in the reinsurance policy of the primary insurers, the premiums written target set by the Board of Directors for 2006

was just 90 per cent of the 2005 figure. However, by the year-end, VINARE's premiums written surpassed the planned target by 5.15 per cent, amounting to VND782.8 billion.

The volume of premiums written by VINARE in recent years has been affected by the tendency to increase retention level by the local insurers as well as the softening trend in the local market. Therefore, it has always been a great effort from both our management and staff to maintain growth in gross premiums written.

The amount of premiums written on commercial basis was VND324 billion, accounting for 41.4 per cent of the total volume. If aviation reinsurance premiums were excluded, the commercial premiums written from Protection & Indemnity, Fire, Engineering, Energy and other business increased 21 per cent in comparison with the previous year.

In spite of the decline in gross written premiums, net written premiums rose 11.4 per cent to VND158.37 billion as a result of increased capitalisation and revised retention level for each line of business following the principle of efficiency and security.



National Convention Center





The 8th meeting of The Board of Management of Vietnam National Reinsurance Corporation



The 2nd Annual General Meeting of Vietnam National Reinsurance Corporation

Our underwriting results continued to be affected by increasing cost of claims. In 2006, net claims paid plus adjustment of claim reserve accounted for 56.7 per cent of net premiums written, while in 2005 the figure was just 44.2 per cent.

Pre-tax profit rose 27.36 per cent in comparison with the last year to VND71.51 billion, an increase of 19 per cent compared with the target set at the beginning of the year. A significant contributor to business results in 2006 was the good performance of our investment operation. Investment returns which grew 17.6 per cent to VND55.53 billion continued to account for a major part in total profit.

#### ***Flotation on Hanoi Securities Trading Centre***

According to the Resolution of Shareholders' General Meeting on the flotation of VINARE's shares on Hanoi Securities Trading Centre, VINARE's share has officially been floted on Hanoi Securities Trading Centre since 13<sup>th</sup> March 2006. The number of shares floted is 959,000, equivalent to VND9.59 billion in face value.

The average price of the first trading day was VND34,500 per share. The average price on the trading day of 29<sup>th</sup> December 2006 was VND47,600 per share.

#### ***Prospect for 2007***

With new opportunities brought about for the economy after joining WTO and GDP growth rate forecast at 8.2 - 8.5 per cent, the non-life sector will continue the current pace of development of 15-17 per cent. However, competition in the insurance market will become more and more severe and the cedants also tend to increase their retention year by year. These are the factors which greatly influence VINARE's business plan for 2007. As a result, gross premiums written in 2007 was set at VND790 billion, net premiums written at VND180 billion and pre-tax profit increasing by 7 per cent.

I hereby would like to convey my sincere gratitude to all the shareholders, staff members as well as our friends in the industry who have been cordially supporting the development of the Corporation.■



## **BOARD OF DIRECTORS**



**Mr. Trinh Quang Tuyen**  
**Chairman & Chief Executive Officer**



**Mr. Pham Cong Tu**  
**First Deputy Chief Executive Officer**



**Mr. Le Hoai Nam**  
**Deputy Chief Executive Officer**

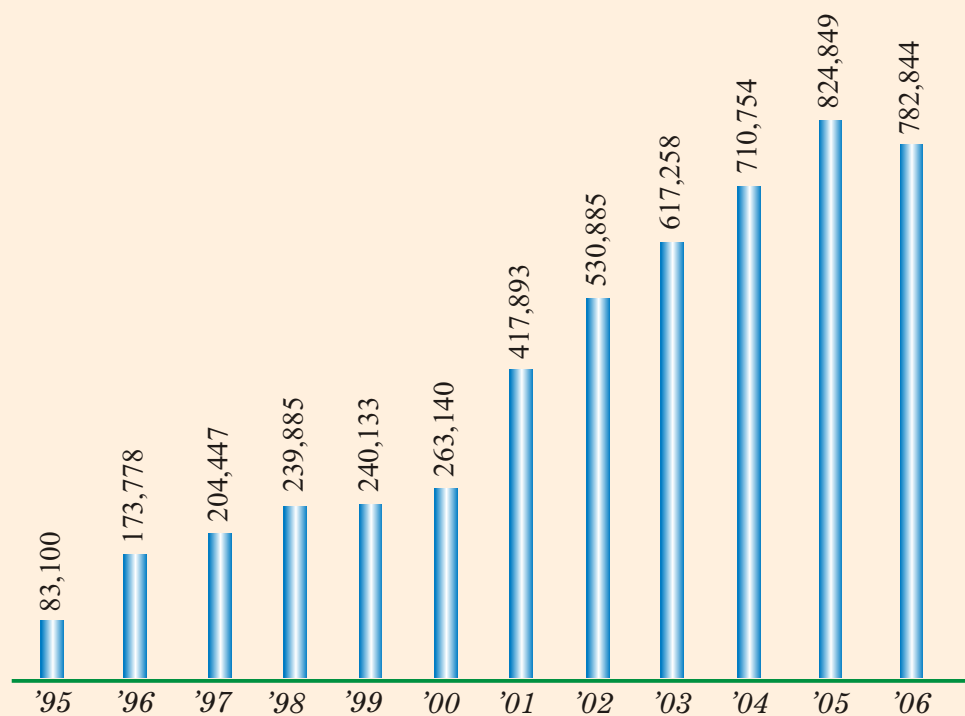
# 02 Financial Highlights

*As of December 31, 1995 to 2006*

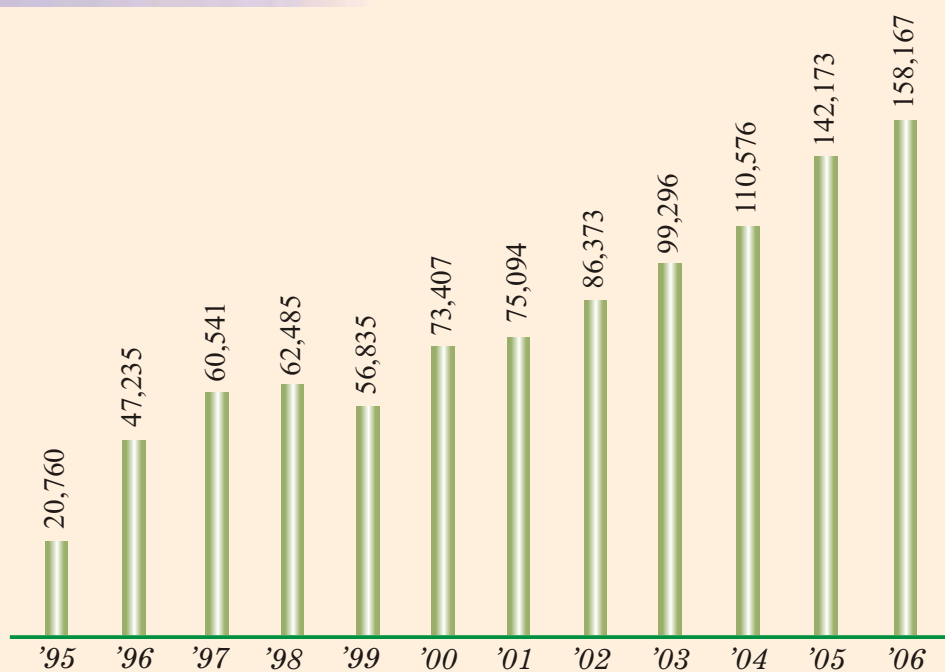
Unit: VND million



## Gross Written Premiums

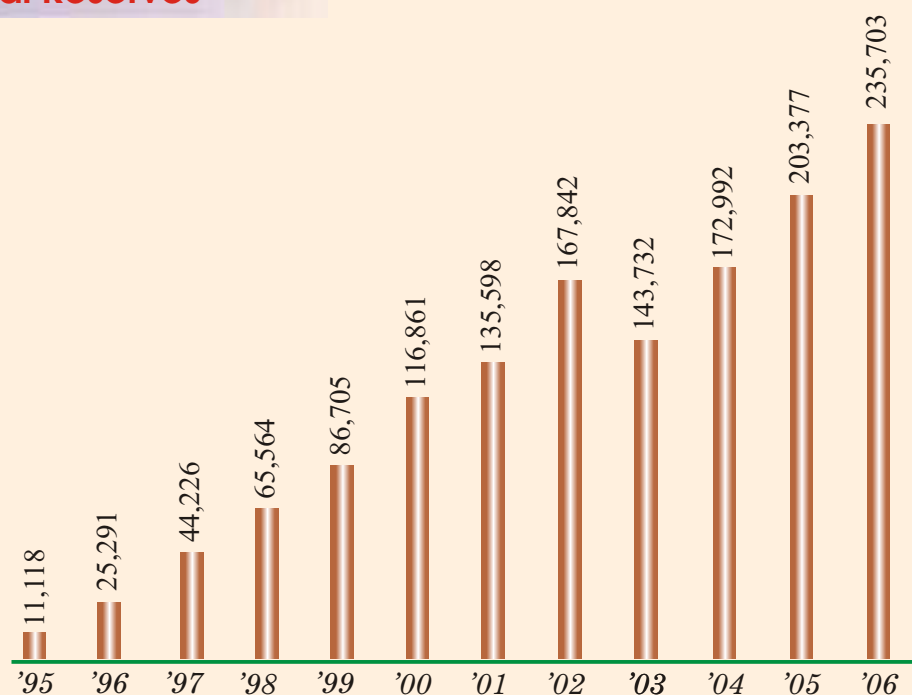


## Net Written Premiums

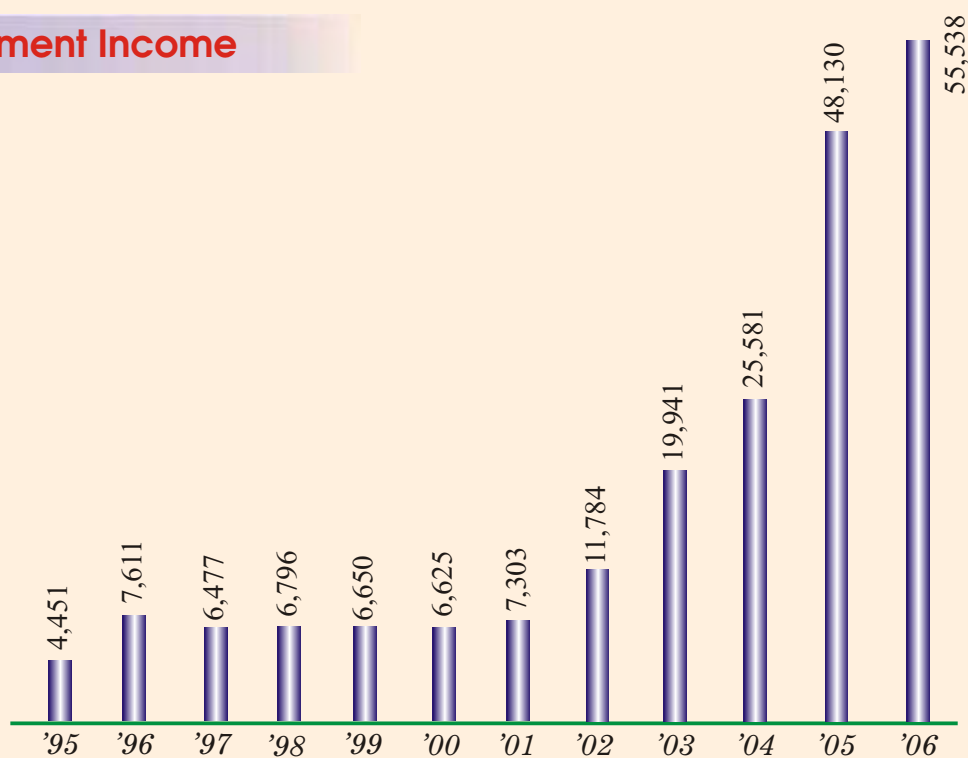




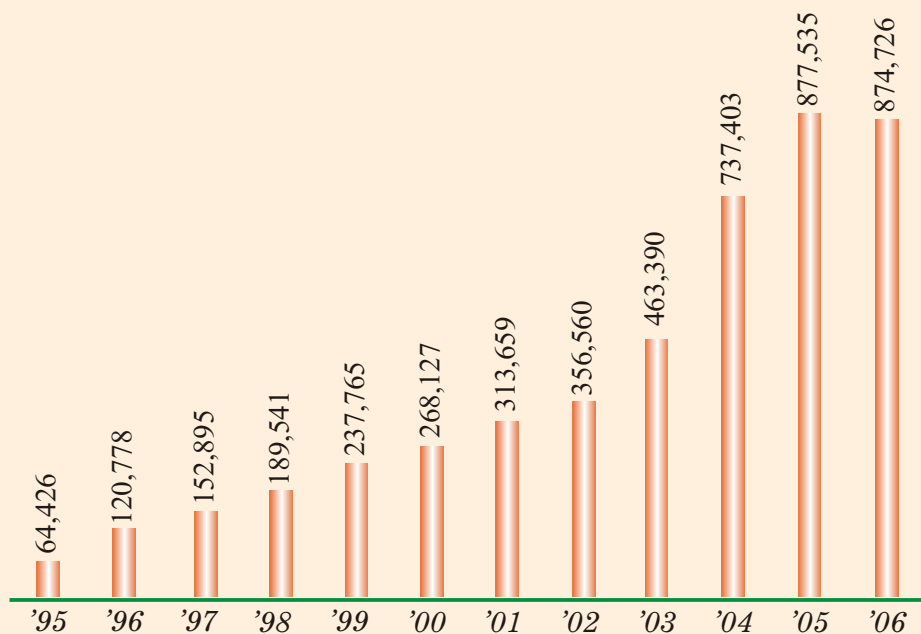
## Technical Reserves



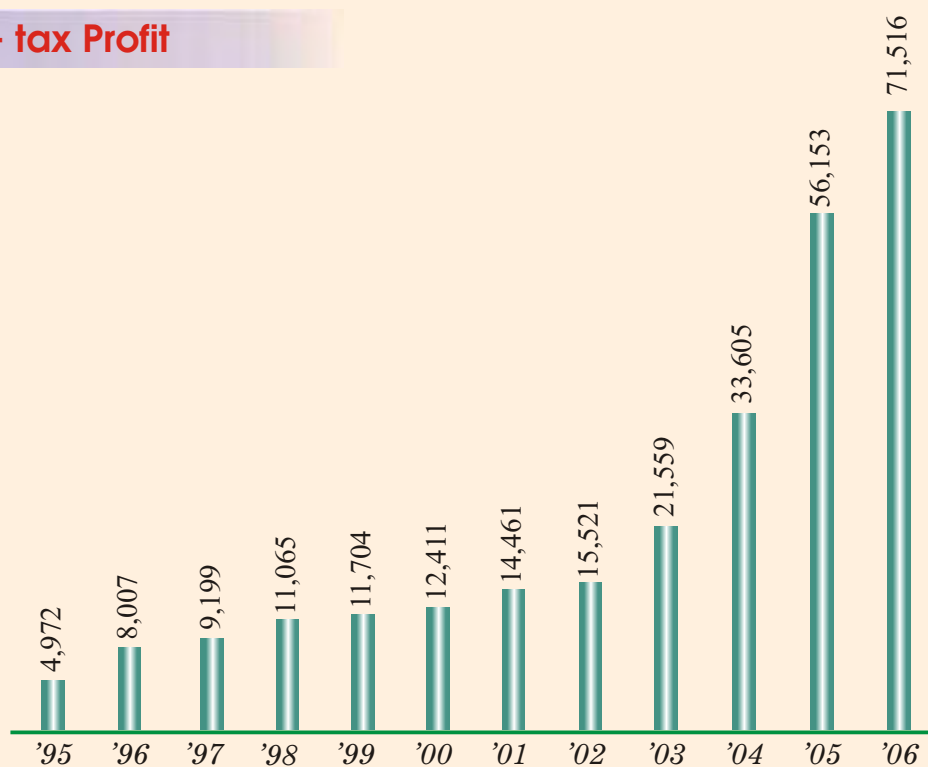
## Investment Income



## Total Assets



## Pre - tax Profit



# **03** **Balance Sheet** **&** **Profit and Loss Account**





As at 31/12/2006

Currency: VND

ASSETS	2006	2005
<b>A. Current assets &amp; Short-term investments</b>	<b>499,166,733,865</b>	<b>393,630,410,761</b>
Cash	32,144,227,445	55,900,225,791
Short-term investments	312,555,500,000	175,534,400,000
Receivables	143,835,456,218	162,151,410,421
- Trade receivables	121,840,601,899	95,546,566,419
- Other receivables	21,994,854,319	66,604,844,002
- Reserve for bad debts		
Other current assets	10,631,550,202	44,374,549
<b>B. Fixed assets and long-term investments</b>	<b>375,559,276,843</b>	<b>483,905,028,955</b>
Fixed assets	56,633,767,161	59,773,673,727
Long-term investments	316,605,353,761	421,849,623,043
Capital construction in progress	55,045,878	11,185,878
Long term deposit (Legal deposit)	2,265,110,043	2,270,546,307
- Legal deposit	2,265,110,043	2,270,546,307
<b>TOTAL ASSETS</b>	<b>874,726,010,708</b>	<b>877,535,439,716</b>
LIABILITIES AND SHAREHOLDER'S EQUITY	2006	2005
<b>Liabilities</b>	<b>461,269,436,734</b>	<b>522,541,650,277</b>
Current liabilities	225,565,963,086	319,164,583,635
- Trade payables	198,210,822,940	244,678,022,281
- Taxation and other payables to the State	4,787,589,445	35,643,421,169
- Other payables	22,567,550,701	38,859,140,185
Underwriting reserves	235,703,473,648	203,377,066,642
- Premium reserve	67,720,622,117	60,584,847,906
- Claim reserve	97,485,319,419	77,039,695,754
- Catastrophe reserve	70,497,532,112	65,752,495,982
<b>Shareholder's equity</b>	<b>413,456,573,974</b>	<b>354,993,789,439</b>
Shareholder's fund	343,000,000,000	343,000,000,000
Legal reserve	15,094,633,430	6,250,177,304
Other capital and Funds	8,190,643,814	4,454,639,841
Retained earnings	47,171,296,730	1,288,972,294
<b>TOTAL LIABILITIES AND SHAREHOLDER'S EQUITY</b>	<b>874,726,010,708</b>	<b>877,535,439,716</b>

Audited by Vietnam Auditing Company

For the year ended  
31 December 2006

Currency: VND

	2006	2005
<b>A. OPERATING REVENUES</b>	<b>206,629,469,192</b>	<b>165,633,658,425</b>
1. Reinsurance premiums written	782,844,464,064	824,849,192,813
2. Reinsurance premiums ceded	(624,676,593,049)	(682,675,887,543)
3. Reinsurance premiums retained (1 - 2)	158,167,871,015	142,173,305,270
4. Adjustment of unearned premium reserve	(7,135,747,211)	(24,679,238,526)
5. Net premium income (3 - 4)	151,032,123,804	117,494,066,744
6. Investment income	55,538,701,024	48,129,945,533
7. Other income	58,644,364	9,646,148
<b>B. OPERATING COSTS AND EXPENSES</b>	<b>135,112,671,433</b>	<b>109,480,454,185</b>
1. Claims paid	189,533,940,437	217,722,465,720
2. Retrocession claims collected	(120,228,793,247)	(156,226,729,821)
3. Net claims paid	69,305,147,190	61,495,735,899
4. Adjustment of claim reserve	20,445,623,665	1,440,077,898
5. Adjustment of catastrophe reserve	4,745,036,130	4,265,199,158
6. Management expenses	19,650,530,839	17,111,908,590
7. R/I Commissions paid and other expenses	20,966,333,609	25,167,532,640
<b>OPERATING PROFIT BEFORE TAX</b>	<b>71,516,797,759</b>	<b>56,153,204,240</b>
<b>TAX AND OTHER PAYMENT TO STATE BUDGET FROM PROFIT</b>	<b>11,048,649,516</b>	<b>13,480,111,574</b>

Audited by Vietnam Auditing Company

## Depreciation of fixed Assets

	2006	2005
1. At beginning of period:	13,252,538,116 VND	9,865,991,030 VND
2. New purchase:	3,317,084,918 VND	2,386,547,086 VND
3. Movement in provision:		
4. At end of period:	16,569,623,034 VND	13,252,538,116 VND



# 04 Business Review 2006

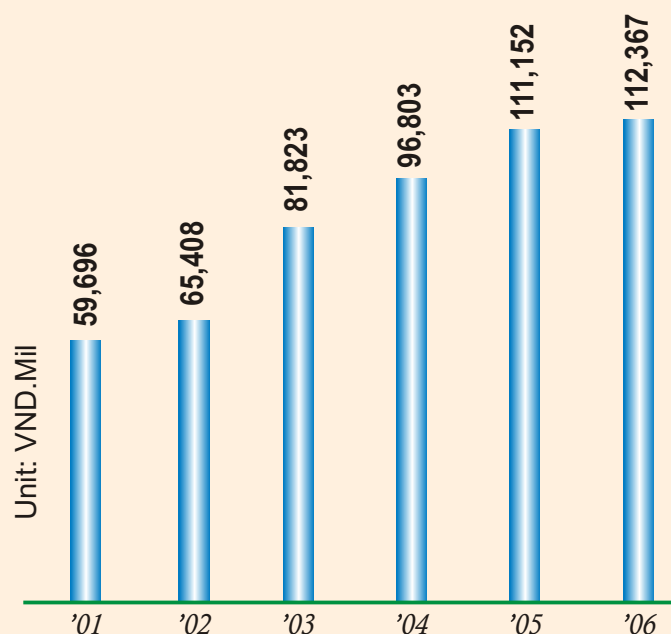




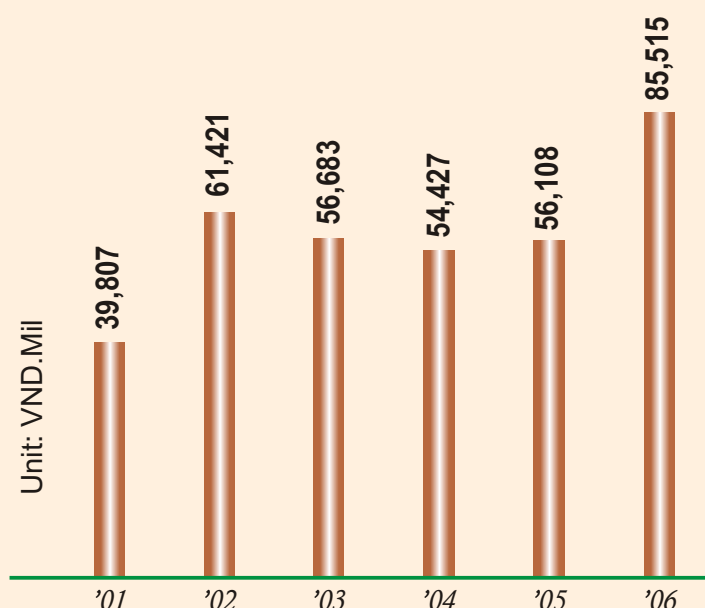
## Fire & Miscellaneous Accidents

Treaty and facultative fire business generated a revenue of VND112.3 billion, an increase of just 1 per cent in comparison with last year. Although the primary fire market posted a relatively optimistic growth rate of 19 per cent, premium volume written by VINARE failed to grow correspondingly due to some changes in inward treaties. Some local insurers only ceded business to VINARE in excess of their XL capacities. At the same time, it was difficult to increase our share in facultative business because of softening rates and high loss ratios in recent years.

An unfavourable development for the fire market in 2006 was the increase in both the number and severity of losses with estimated figure of around US\$12.5 million (not including losses from natural catastrophes). 2006 was also the worst year so far in terms of natural catastrophe losses with two major storms Sangxane and Durian, which caused a lot of economic and insurance damages for the central and south-eastern provinces of the country. Insured losses caused by Sangxane alone amounted to nearly US\$9 million.■



## Energy



Energy business experienced strong increase in the amount of premiums written, at 52.4 per cent, and this was thanks to a record high increase in oil and gas business volume of the whole market with premium revenue amounting to over US\$47 million, which more than doubled that of 2005.

The increase was attributed to several field development operations such as BP's construction project for Lan Tay Compression Module in the Nam Con Son basin, offshore Vietnam; the gas pipeline project from the PM3 block in

the Commercial Arrangement Area in the overlapping Vietnamese and Malaysian area of the Gulf of Thailand to the Gas Power Fertilizer industrial zone in Ca Mau province; field development at Golden Lion by Cuu Long JOC, North PM3 field development by Talisman.

In addition, exploration activities to look for new reserves are also being carried out alongside Vietnamese coast from the Gulf of Tonkin, throughout the Central Region to the Southern Region by several contractors like PIDC, VRJ, Idemitsu and Premier Oil. ■

## Engineering

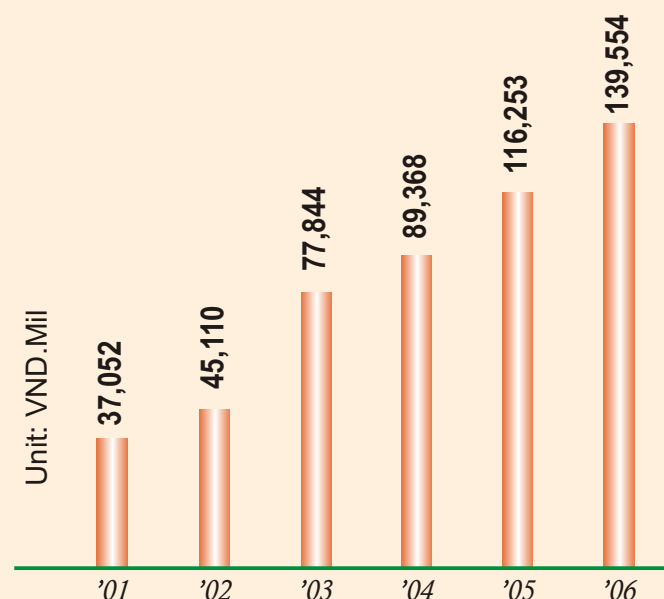


Engineering secured its significance in the corporation's portfolio, increasing 20 per cent in terms of premium volume over the last year and in line with the expansion that has characterised the construction sector of the country for the last few years.

A lot of construction and erection projects had been kickstarted during the year like:

- \* Thai Nguyen Cement Factory, insured value US\$165 million;
- \* Vinaconex water supply system, insured value US\$64 million;
- \* Ha Long Cement Factory, which include main factory with insured value of VND1,600 billion and grinding station VND700 billion;
- \* Omon No.1 Thermal Power Station, insured value US\$360 million;
- \* Cam Pha Thermal Power Factory, insured value US\$265 million;
- \* Quang Ninh Thermal Power Factory, insured value US\$445 million;
- \* Nhon Trach Gas Pipeline, insured value US\$64 million;
- \* Hydro Power Station Song Tranh II, insured value US\$148 million;
- \* Hydro Power Station Ankhe-Kanak, insured value US\$119 million;
- \* Reservoir Cua Dat, insured value US\$135 million.

Competition remained hard, especially among small and newly-established insurance companies by way of undercutting premiums and deductibles. With the entrance of new players who are



willing to compete at any price, even the long-established players in the market are involved in the race, which may lead to gaps in underwriting management, risk management and security management of reinsurers.

Engineering losses in 2006 increased both in terms of quality and severity in comparison with 2005. The biggest loss had reserve of up to US\$7 million. In addition, for the first time, there were total losses in CPM occurring to two cranes in Quang Ninh Port due to tornado and hailstorm. ■



## Marine Cargo

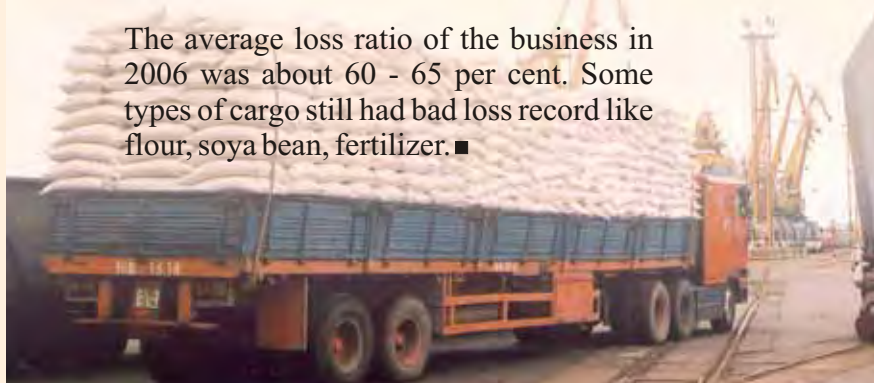
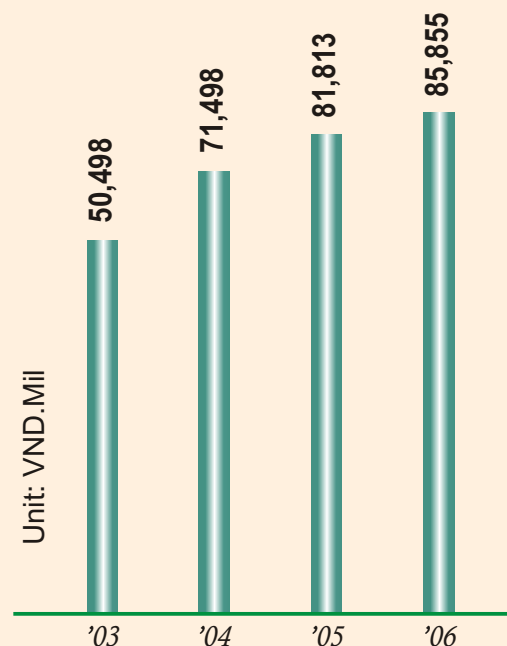
Marine Cargo failed to reach the level of growth of the previous year with premiums written rising 4.8 per cent to VND85.8 billion.

Just like other business lines, tough competition is dragging back the development of this highly potential market while international trade activities are flourishing with the country's entry into WTO.

Clients are taking advantage of the price competition among the insurers in order to get lower prices for the same terms and conditions of insurance. The newly-set up insurers with less-experienced underwriters tend to offer competitive prices with broader terms and conditions as a way to win the business. Some even accept to provide cover for the subject of insurance which is not cargo, e.g cover for the carriers' containers themselves.

There are more and more policies issued for multi-transporters although they have no interest in the cargo itself. Thus, one consignment may have two insurance policies for material damage, one issued for the shipper, the other for the carrier. This is one of the problems in handling cargo losses during the year.

The average loss ratio of the business in 2006 was about 60 - 65 per cent. Some types of cargo still had bad loss record like flour, soya bean, fertilizer. ■

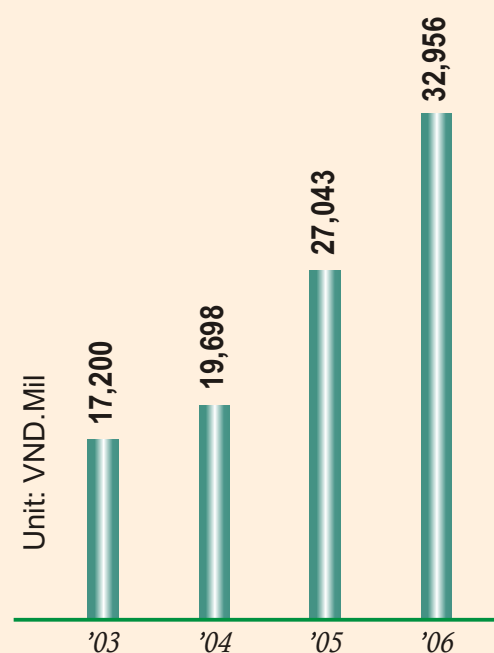


## Marine Hull



Premium revenue from Marine Hull grew 21.8 per cent over the last year to VND32.9 billion. Like the primary market itself, the growth in revenue was mainly attributed to the number of new built and new purchased vessels within the last two years.

However, with fierce price competition and very bad loss records in recent years, all the local insurers are incurring underwriting losses. The claim ratio of hull insurance has reached alarming level for several consecutive years: in 2002 it was 160 per cent; in 2004 it rose further to 206 per cent; in 2005 the figure was 180 per cent and in 2006 the estimated ratio was 150 per cent of net premium income for reported losses (not including the fleets insured under the energy package). ■



## Protection & Indemnity

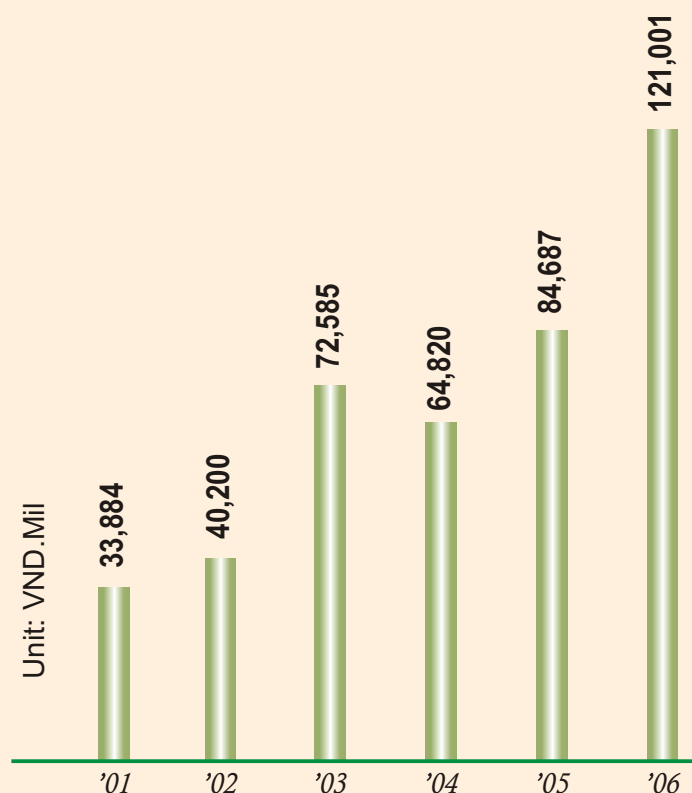
Premium volume of Protection & Indemnity continued to rise strongly against last year to VND121 billion, an increase of 43 per cent. This growth could be attributed to the fact that we had greater shares in local treaties.

In the P&I renewal season 2006/2007 most of the local fleets had to accept increase in premiums following the request from the P&I clubs (the highest increase was 30 per cent). This year the general increase imposed by the clubs was slightly lower than in the previous year.

Statistics shows that as at December 2006 there were 322 vessels in Vietnam entering for three P&I clubs, i.e. the West of England, the London Steamship and GARD, an increase of 27 vessels in comparison with last year. Total tonnage entered amounted to 2.044 million, in which the West of England still accounted for a major part with 1.593 million GT entered, followed by GARD with 241,000 GT entered and the London Steamship with 210,000 GT entered.

There is a tendency among the shipowners as well as the insurers to enter for various P&I clubs available in the market, therefore the marketshare of the West of England decreased from 82.04 per cent in 2005 to 77.94 per cent in 2006. In contrast, the marketshare of Gard of the London Steamship increased to 11.78 per cent and 10.27 per cent respectively.

In general there were no big losses in underwriting year 2006/07 except for frequent losses such as shortage or damage to sugar or rice cargo. ■





## Aviation



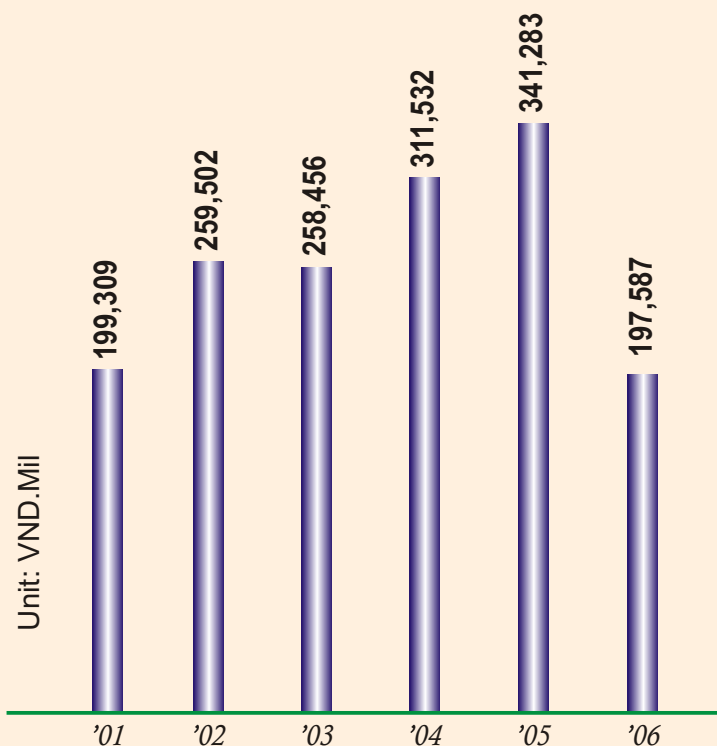
Our aviation business suffered a sharp reduction of 43 per cent in comparison with last year due to a significant change in our treaty. However, this reduction did not influence the results of the business in particular as well as the bottom line of the Corporation.

The potential of aviation business looks very promising in the years to come. So far Vietnam Airlines' fleet has consisted of 40 aircraft most of which are modern ones like Boeing 777 and Airbus 321 and 320. The fleet is expected to receive eight more A321 airplanes in 2007. The long-term plan is that the fleet will have 60 aircraft by 2010 and 86 by 2015.

Besides fleet development, Vietnam Airlines also pays a lot of attention to improving service quality and safety and security. At the moment, Vietnam Airlines is ranked the fourth in terms of safety and security and rated "three stars" in terms of quality service in the region.

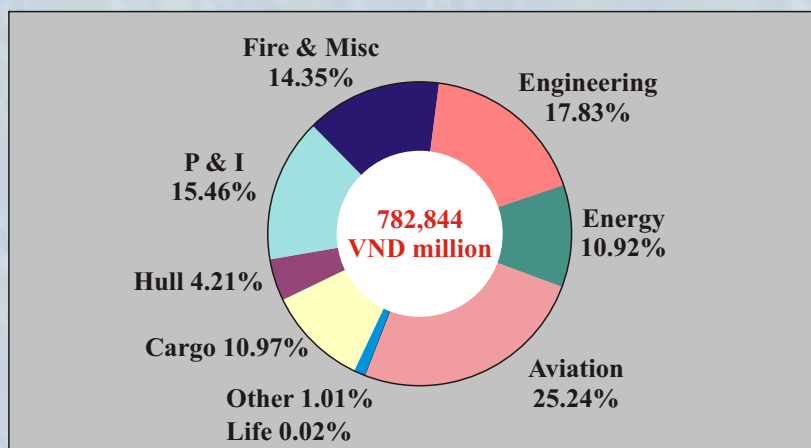
Total premium volume of the aviation market (which also includes general aviation companies, airport authorities, fuel suppliers and catering service providers) was around US\$19.3 million, which is almost the same as in 2005. The decline in aviation premium in the world market had been offset by the increase in aircraft and passenger number.

The aviation industry completed the year 2006 with no major human losses. There were only a few cases of bodily injuries to passengers and some incidents of hull damages to Vietnam Airlines fleet. Total losses for the market were estimated at around US\$6 million, in which US\$4 million may be out of coverage. ■

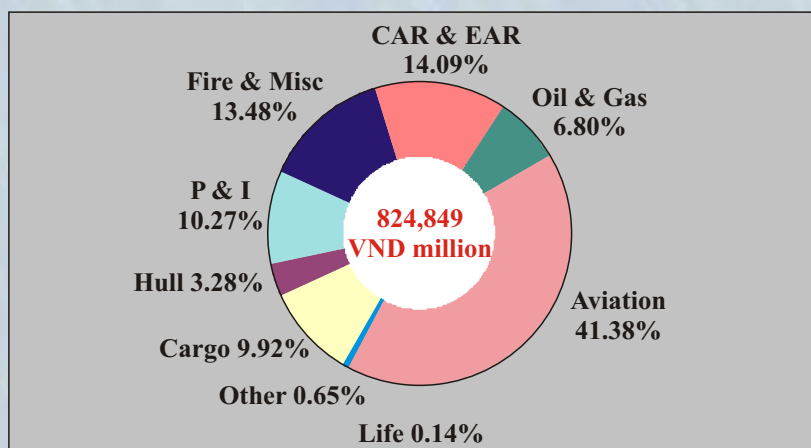


# 05 Vinare's Portfolio

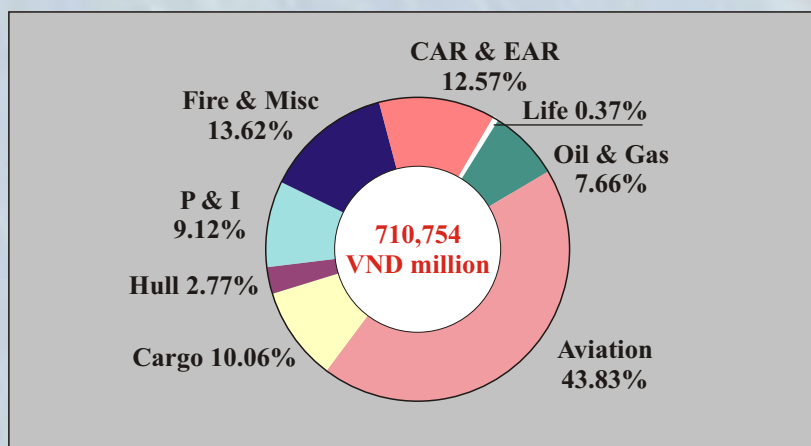
## UNDERWRITING YEAR 2006



## UNDERWRITING YEAR 2005



## UNDERWRITING YEAR 2004



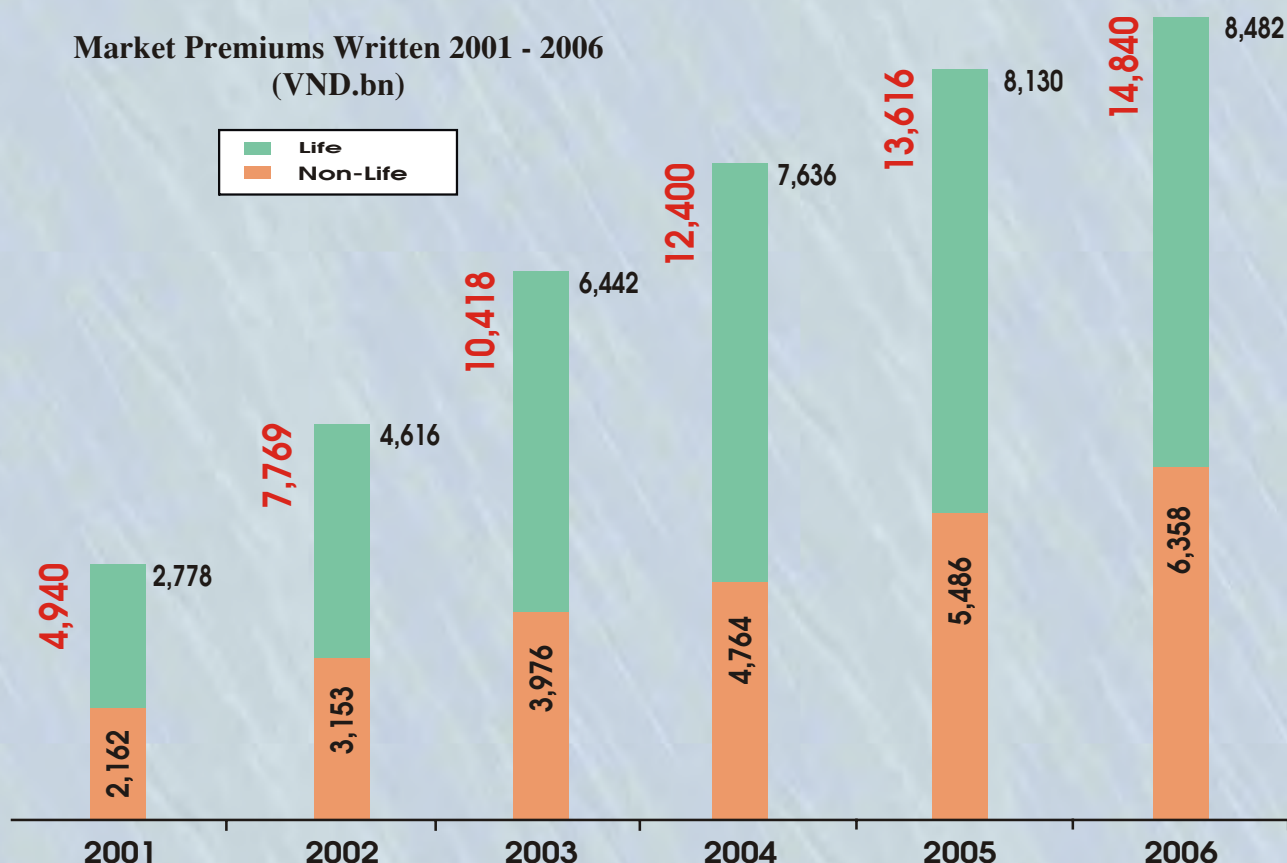
# 06

## Insurance Market 2006

### Non-life sector enjoyed steady growth

Although the economy had favourable results in 2006 with GDP growth rate of 8.17 per cent, providing good impetus for the insurance industry, the adverse effects from natural catastrophes and epidemics also constituted a major concern for local insurers.

Premium volume of the entire market (life and non-life included) rose 9.6 per cent over the last year to VND14,954 billion. The insurance market attracted the interest of many investors as Vietnam has become an official member of the WTO with the establishment of several new players like Global Insurance Company (GIC), Agriculture and Rural Development Bank Insurance Company as well as operation licences granted to foreign insurers like AIG and Liberty Mutual.





### ***Non-life insurance***

Most non-life insurers in the market maintained their momentum of growth of previous years. Some even posted record growth rates like Samsung-Vina: 79 per cent, PV Insurance: 56.4 per cent, VIA: 35 per cent; Baominh: 20 per cent. Total market premium increased 18.5 per cent to VND6,529 billion.

All the key sectors of the non-life market experienced relatively high growth, e.g. Fire: 19 per cent; Engineering: 17 per cent; Marine Cargo: 20 per cent; Marine Hull: 12 per cent. The most spectacular development was witnessed in the Energy sector with premium volume of underwriting year 2006 more than doubling that of the previous year and mounting to US\$47 million.

In spite of the optimistic growth picture, competition in the market was getting more and more severe and showed no signs of abating during the time to come. As a result, growth in premium volume did not match with market potentials, causing the average rates of several business lines to tumble whilst coverage remained unchanged.

In the meantime, losses were on the rise, even in those lines which used to have very good records so far. Marine Hull losses has been at an alarming level for many years with no improvements in sight. The estimated claim figure for reported losses in 2006 climbed to 150 per cent of the premium income. Fire, which were used to loss ratio of under 30 per cent for more than a decade, had to face heavy losses in 2006 with loss ratio reaching over 50 per cent. In addition to big fire incidents with damages worth tens of billions of dong each, the property market also had to face with biggest ever claims from natural catastrophes, especially



from the two storms Sangxane and Durian. Engineering insurance also saw an increase in the severity of losses as well as in the number of total loss.

### ***Life insurance***

Life market continued to be in the doldrums with premium income in 2006 increasing just 3.6 per cent in comparison with 2005. Life insurers had to cope with rising interest rates and price index, causing life products to become less attractive for clients. New policy sales have fallen 15 - 20 per cent during the last three years.



At the 10<sup>th</sup> Life CEO Summit which was held on August 25<sup>th</sup> 2006 in Hochiminh City, the Insurance Department - the State agency for administration of insurance business - said that life insurers did not focus on developing health care products while their investment products did not have competitive edges over other financial and banking products in the market.

As there was a strong development in financial products, life insurers not only had to compete among themselves but also had to compete with other institutions providing financial services. At the same time, they had to improve their service quality, develop their products to meet with customer expectations and coordinate with media agencies to raise awareness about insurance.

To respond to new demands from the clients, in 2006 life insurers submitted to the Ministry of Finance for approval of their investment-linked products, enabling clients to decide on the profitability of their premium payments. Once this type of product is approved, it will open a new period of development for the life market.

Regarding the prospects of the life market in Vietnam, insurance experts in the region said that the low insurance penetration rate leads market participants to remain optimistic and expect strong growth for the remainder of the decade. However as the more sophisticated, for example, investment-linked products, are being contemplated, the current investment environment may provide additional challenges for insurers to overcome.

### ***Market structure***



The government's policy in 2006 was to continue implementing the equitisation of state-owned insurance companies. Baoviet was the last insurer under the Ministry of Finance which was approved to be equitised and will turn itself into a Financial and Insurance Group. Last December, PetroVietnam Insurance Company (PVI) carried out its initial public offering which had attracted great interest from many domestic and foreign investors and was a great success. Shares of VINARE and Baominh has now been floated on Hanoi Stock Exchange.

The non-life insurance market witnessed a new wave of players starting up in 2006, among them should be listed the Global Insurance Company (Toan Cau), the





Agriculture and Rural Development Bank Insurance Company and the Bao Tin Joint Stock Insurance Company.

In addition, the Ministry of Finance has also granted licence to two wholly foreign-owned non-life insurers, i.e. ACE and Liberty Mutual.

### ***Post-WTO challenges***

After Vietnam has joined the WTO, domestic insurers will face new challenges: e.g. all the business constraints previously imposed on wholly foreign-owned insurers will be lifted. This means all the foreign-owned insurers will be entitled to provide compulsory insurance products like motor third party liability, construction all risks (CAR) and erection all risks (EAR) or coverage for oil and gas projects, etc starting from 1<sup>st</sup> January 2008.

The local insurers will have to prepare themselves for these new challenges by innovating technologies, improving corporate governance as well as training staff.

In the coming time, the state regulating agency will speed up the scheme of agriculture insurance with the participation of both the commercial insurers and the government, encourage insurance companies to establish investment funds, trust funds and fund



management companies according to the regulation of Securities Law and Insurance Law..

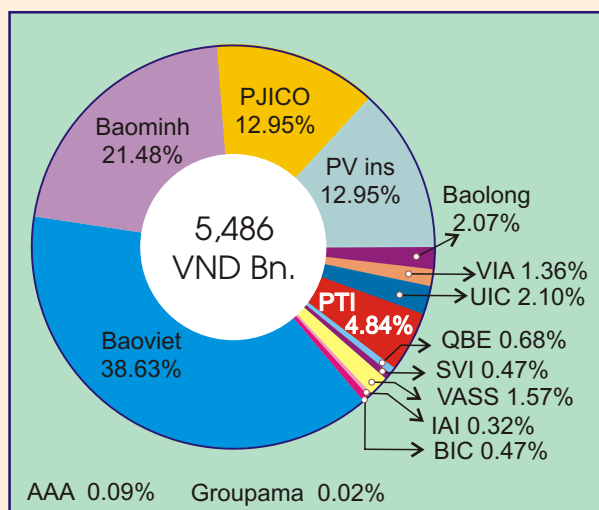
### ***Forecast for 2007***

Growth prospects for the economy in 2007 are very optimistic: GDP growth rate set by the government is around 8.2 - 8.5 per cent, export turnover expected to increase 17.4 per cent, foreign direct investment inflow estimated at US\$10.2 billion, several key governmental projects worth hundreds of millions of dollars will be kickstarted. With these favourable forecast in sight, the non-life market is expected to continue growing at 17 - 18 per cent, and the life market at 5 - 8 per cent. ■

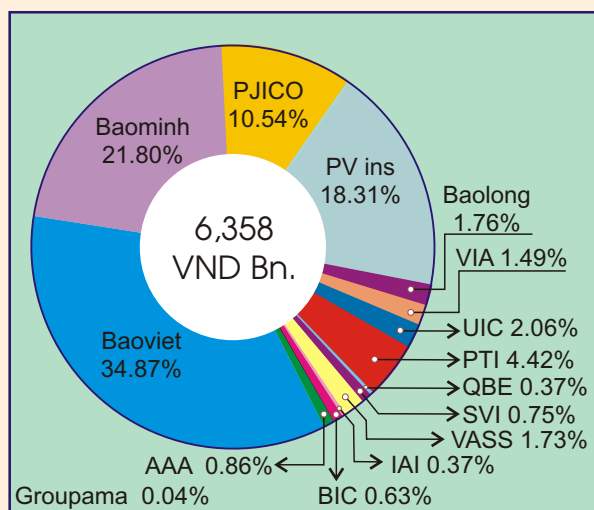
# Vietnamese Insurance Market Share

(Non-life)

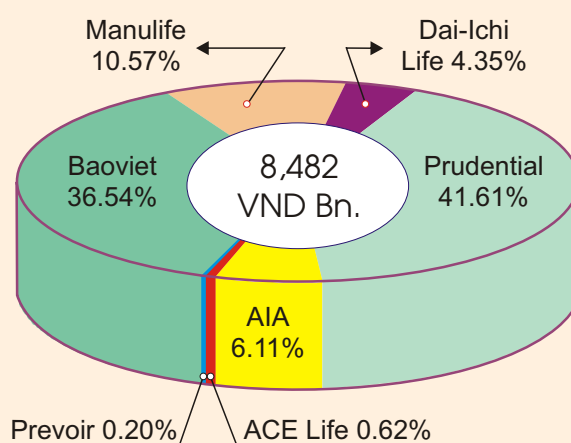
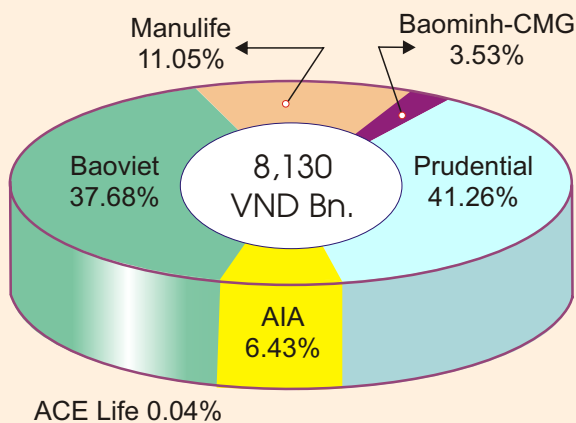
2005



2006



(Life)





## 07

# WTO opens bright prospects ahead





WTO General Director Pascal Lamy and Minister of Trade Truong Dinh Tuyen exchanged WTO accession protocol.

**V**ietnam economy witnessed a landmark turning point in 2006 when the country successfully completed its accession process to the World Trade Organisation (WTO) and also made significant achievements in key economic targets. Legal and administrative reforms and improved business policies contributed to high economic growth, higher export revenues and a flourishing in foreign investment during 2006.



GDP grew at 8.17 per cent in 2006 over the previous year, with the industrial sector growing at 10.37 per cent, the services sector at 8.29 per cent and agriculture at 3.4 per cent.

Efforts to seek new markets and diversify products helped boost the nation's exports in 2006, particularly in the later months of the year. Export turnover reached \$39.6 billion, a 22.1 per cent increase year-on-year. Leading generators of export turnover included coffee, rubber, crude oil, textiles and apparel, shoes, seafood, wood products, electronic components and rice with major markets including the US, EU and Japan.

Foreign investors recognised Vietnam's persistent efforts to make the business climate more attractive with the implementation of new laws on enterprises and investment and more favourable and equitable policies for foreign investors.

Inflows of foreign investment from the US, EU, Japan, Taiwan, Hong Kong, South Korea, and Thailand grew in 2006, particularly as the impact of Vietnam's admission to the WTO was being felt towards the end of the year and permanent normal trade relations was granted by the US, promising a new wave of foreign direct investment in Vietnam.

The country attracted a record amount of foreign investment in 2006, at \$10.2 billion, representing a 49.1 per cent increase over 2005 and surpassing the year's target by 57 per cent. Newly licensed foreign-invested projects worth a total of \$7.83 billion focused mostly on the industrial and services sectors. Existing projects increased their registered capital by a combined \$2.63 billion during the year.

Public administration continued to be





reformed during the past year to meet the demands of a developing market economy and international integration. The building of institutional capacity, laws and regulations proceeded in line with the actual social development of the country. New laws on enterprises, investment, bidding, and real estate transactions helped create a comprehensive legal framework for all business sectors.

Sound economic performance, institutional reforms, and the battle against corruption during the past year were also recognised by international donors, who disbursed \$2.66 billion in official development assistance (ODA) and promised a whopping \$4.45 billion in 2007.

To ensure sustainable growth during 2007, Prime Minister Nguyen Tan Dung said that the government would prioritise the construction of infrastructure, education and training, the battle against corruption, and narrowing the economic gap among urban, rural and remote areas.

Vietnam needed to focus on coping with unsustainable growth, low competitiveness due to the shortage of a knowledgeable and skilled workforce and insufficient infrastructure, all of which hindered growth in 2006.

Administrative reform would be advanced from central to local levels in order to create momentum for business development and the fight against corruption. Many governmental administrative functions and responsibilities would be decentralised and transferred to local authorities, helping the government focus efforts on regulating socio-economic development.

The Ministry of Planning and Investment would identify and eliminate all unnecessary licences and sub-licences in order to help build more favourable conditions for enterprises.

Representatives from the Ministry of Home Affairs admitted that the existence of many cumbersome administrative procedures and licence requirements as well as the harassing attitude of many State cadres continued to cause problems and dissatisfaction among the people and businesses.■





**TỔNG CÔNG TY CỔ PHẦN  
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# **Annual Report**

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