

**THE PRIME MINISTER**

**DECISION No. 51/QĐ-TTg OF APRIL 12, 2007,  
APPROVING THE UP-TO-2010 PROGRAM  
ON DEVELOPMENT OF VIETNAM'S  
SOFTWARE INDUSTRY**

**THE PRIME MINISTER**

*Pursuant to the December 25, 2001 Law on  
Organization of the Government;*

*Pursuant to the June 29, 2006 Law on  
Information Technology;*

*Pursuant to the Prime Minister's Decision No.  
246/2005/QĐ-TTg of October 6, 2005, approving  
the strategy for information technology and  
communication development to 2010 and  
orientations towards 2020;*

*At the proposal of the Minister of Post and  
Telematics,*

**DECIDES:**

*Article 1.- To approve the up-to-2010 Program  
on development of Vietnam's software industry with  
the following main contents:*

**I. DEVELOPMENT VIEWPOINTS AND  
TARGETS**

**1. Viewpoints**

The software industry is a knowledge-based and  
hi-tech industry that earns great added value and  
high export value, making significant contributions

to industrialization and modernization. The State particularly encourages and creates favorable conditions for investment in and development of this industry into a key industry of the national economy.

The quantitative and qualitative development of human resources constitutes a crucial factor for the success of the software industry. The State increases investment in and encourages the socialization of training and development of information technology human resources, at the same time boosts the software industry research and development, closely combines training, scientific research and technological development with production.

Attention should be paid to information technology services, first of all the processing of software and provision of services for foreign partners in parallel with the expansion of domestic market and the development of a number of key software products of high socio-economic efficiency as imported software substitutes and meeting Vietnam's information technology application demand.

## 2. Targets

By 2010, Vietnam's software industry will achieve the following basic targets:

- An average annual growth rate of 35-40%. The total software and software service turnover of over USD 800 million per year with export value accounting for at least 40%;

- The total software and software service development personnel of between 50,000 and 60,000, with an average product value reaching USD 15,000 per capita per year;

- To build more than 10 software enterprises with a staff of over 1,000 and 200 software enterprises with a staff of over 100;

- To become one of the leading countries in attracting foreign direct investment in the software industry and ranked one of the top 15 countries providing the world's most attractive software processing services;

- To reduce the rate of software intellectual property rights infringements to the regional average.

## II. DEVELOPMENT POLICIES AND SOLUTIONS

1. Improving the legal environment, enhancing the state management capacity and supporting the software industry development

- Elaborating and promulgating specific regulations on investment preferences for the development of software industry and information technology services;

- Studying, elaborating and promulgating the Regulation on investment management and investment norms for information technology projects, especially software projects;

- Elaborating and promulgating regulations on export and import of software products and services in accordance with Vietnam's international integration roadmap and commitments;

- Consolidating and enhancing the working capacity and personnel of software state management agencies;

- Establishing the Vietnam Institute for Software Industry and Digital Information - a public non-business institution under the Ministry of Post and Telecommunications, which functions to coordinate and assist state management agencies in studying, adopting and implementing policies, mechanisms, solutions and measures to boost the development of Vietnam's software industry.

- Completing legal provisions on intellectual property of software, including registration for intellectual property protection, definition of violation acts, sanctioning forms and measures;

- Raising the effectiveness of enforcement of software intellectual property rights protection. Formulating and implementing programs on software intellectual property law knowledge training, retraining and dissemination among judicial workers, legal consultants, organizations, agencies, enterprises and people. Strictly handling software intellectual property rights infringements according to law;

- Completing the software industry-related statistical norm system according to the sectoral division system of the national economy.

## 2. Boosting the development of software industry human resources

a/ Quantitatively and qualitatively enhancing the information technology training in universities and colleges

- Speeding up the implementation of the Program on development of information technology human resources to 2010 promulgated under the Prime Minister's Decision No. 331/QĐ-TTg of April 6, 2004;

- Expanding training scale and quickly raising enrolment quotas of information technology disciplines for universities, colleges and professional secondary schools. Improving the quality of information technology training, increasing subjects on system analysis, design and structure, application development, and management skills in information technology faculties of universities and colleges. Closely combining training with industrial production. Improving, updating and modernizing information technology training programs up to

international standards; intensifying the transfer of information technology training programs from developed countries; raising the qualifications of trainers; investing in network systems and equipment to ensure conditions for students to practice;

- Encouraging domestic and foreign organizations, individuals and enterprises to invest in building information technology training establishments; stepping up the establishment of private information technology universities of high quality; attracting and creating favorable conditions for international universities to open information technology training establishments in Vietnam;

- Implementing the program on information technology engineer/bachelor training in foreign languages after the 1+4 model (one year of foreign language training and four years of professional training in that foreign language);

- Increasing second-diploma training courses on information technology for graduates from other disciplines;

- Increasing quota of information technology learners enjoying the state-funded overseas training program under Scheme 332 of the Ministry of Education and Training.

b/ Intensifying programs on non-formal and short-term training in information technology

- Encouraging non-public information technology training establishments to expand the scale and raise the quality of their training. Elaborating and standardizing non-formal information technology training programs, curricula, diplomas and certificates; organizing the appraisal, assessment, recognition of equivalence of diplomas and certificates issued by international information technology training institutions;

- Elaborating programs and curricula and organizing short-term advance and intensive training

courses on skills and technologies for software human resources;

- Implementing the 4+1 program under which graduates from foreign language, science, technics and economics disciplines are entitled to an additional year of information technology training to become information technology experts;

- Boosting international cooperation, implementing key training programs and projects to develop key market-driven software human resources;

- Prioritizing, supporting and creating conditions for information technology enterprises to invest in software human resources development; and encouraging the development of the model of associating training and research with production at information technology enterprises;

- Boosting information technology labor export programs; and intensifying international cooperation to exchange experts, transfer technologies and implement short-term firsthand training programs with foreign partners.

### 3. Increasing investment capital sources for software industry

- Mobilizing to the utmost domestic resources, including those from enterprises, the society and the state budget, for investment in software industry development,

- Encouraging localities, particularly cities which gather numerous information technology training establishments, to increase budget investment in software industry development, offering preferences and support for enterprise development, building convenient infrastructure for attraction of investment in software industry and development of information technology human resources;

- Stepping up activities to attract investment of foreigners and overseas Vietnamese in building

centers for development of software products and services in Vietnam;

- Paying attention to building and upgrading software industrial parks, especially in big cities having numerous information technology universities and colleges;

- Considering the setting up of a software industry development fund financed by software enterprises and the state budget;

- Encouraging the development of hedge funds in the information technology domain; and adopting risk insurance mechanisms for investment in software industry development.

### 4. Development of domestic and overseas information technology markets

- Boosting the application of information technology and software solutions to professional operations and production chains of agencies, organizations and enterprises;

- Conducting surveys and investigations to collect information on the domestic information technology application market and publishing the results on the software industry information portal. Agencies, units, organizations and enterprises which have information technology projects funded with the state budget or capital originated from the state budget shall publish these projects on the software industry information portal,

- Concentrating investment on research and development of a number of Vietnam's key software products and services and supporting market development for these products,

- Conducting surveys, investigations, assessment, formulation and regular updating of the lists of home-made information technology products and solutions for recommendation for procurement and use in agencies', organizations' and units'

information technology application projects funded with the state budget or capital originated from the state budget;

- Building a multi-language software industry information portal to supply information on Vietnam's software enterprises and software products for customers and domestic and foreign partners, and simultaneously supply market information for software enterprises;

- Studying and devising a scheme to test and appraise the software quality in order to assist information technology-applying agencies, organizations and enterprises in evaluating and selecting products;

- Stepping up activities of trade and foreign investment promotion for the software industry; supporting enterprises in market research, marketing and promotion of software processing and services overseas; building up the brand and image of Vietnam's information technology in general and the software industry in particular.

#### 5. Supporting software enterprises and raising their competitiveness

- Encouraging joint ventures and associations among small- and medium-sized software enterprises, supporting the development of several large software enterprises to build up internationally prestigious and competitive brands;

- Establishing and supporting the development of links between software enterprises and information technology training and research establishments; and between software enterprises and financial, banking and insurance institutions in order to create support for software enterprises in human resource development, investment capital increase and risk insurance;

- Encouraging and supporting software

enterprises to apply international quality control systems (such as CMM, CMMI, ISO). Prioritizing enterprises possessing the international quality certificates that bid for state agencies' information technology projects. The State partially provides financial support for software enterprises' projects to adopt quality assurance processes by CMM, CMMI or equivalent standards. Studying and developing Vietnam's software standards and software industry processes in conformity with international standards and supporting enterprises to apply these processes;

- Prioritizing research establishments' and enterprises' investment projects on research and development of software products based on the criteria of creation of products and services of high added value to meet demands of markets, especially export market;

- Supporting software enterprises to take over transferred technologies;

- Granting the State's investment credit incentives to Vietnamese enterprises having investment projects on open-source software and applied-software research and development in service of state agencies' operation. Vietnamese enterprises which have entered into contracts to process software and provide software services for foreign partners are entitled to the State's export credit incentives.

- Formulating and boosting the implementation of, programs and projects to support, develop and raise competitiveness of software enterprises in localities fully meeting the conditions on human resources and infrastructure, especially Ho Chi Minh City, Hanoi and Da Nang. Making full use of aid sources, especially Official Development Assistance (ODA), to support the development of small- and medium-sized software enterprises;

- Raising the proportion of foreign personnel in

100% foreign-owned software enterprises.

6. Boosting the application and development of open-source code software

- Boosting the implementation of the overall project on open-source software application and development in Vietnam approved under the Prime Minister's Decision No. 235/QĐ-TTg of March 2, 2004;

- Prioritizing the use of open-source code software in information technology projects which are funded with the state budget or capital originated from the state budget. Drawing up the list and database of open-source code software products for procurement and use recommendation to organizations, agencies and enterprises;

- Organizing seminars and training courses, compiling and publishing documents to raise the awareness of the benefit, and provide instructions on the use of open-source code software to public employees, officials and people;

- Investing in research and development and encouraging the use of a number of key open-source code software which can replace commercial software, and applications and utilities on the open-source code software background;

- Supporting and developing enterprises dealing in the open-source code software and relevant services. Offering preferences for and encouraging organizations and enterprises to provide services in support of the use of open-source code software;

- Supporting and boosting the training and development of human resources for open source code software as well as open-source software communities in Vietnam. Organizing training programs on application of open-source software for public employees, officials and information technology users in information technology training

and fostering centers nationwide.

7. Consolidation of Internet and telecommunications infrastructure for software industry

- Concentrating efforts on the investment in and the application of modern and advanced technologies and the development of telecommunications infrastructure and broadband Internet to meet the software industry development requirements in terms of transmission quality and charge rates;

- Offering Internet transmission line priorities for software industrial parks and enterprises earning high value from software processing and service provision for foreign partners. Considering the permission for a number of key software parks to set up portals directly linked with the Internet.

### III. SUB PROGRAMS, KEY PROJECTS

#### 1. Sub programs

- Programs to support, develop and raise the competitiveness of software enterprises in localities fully meeting the personnel and infrastructure conditions, especially Hanoi, Da Nang and Ho Chi Minh City, are formulated by local People's Committees and implemented by the provincial/municipal Post and Telematics Services under the former's directions.

- Programs to build and develop software industrial parks in Ho Chi Minh City, Hanoi and Da Nang are formulated by the municipal People's Committees and implemented by the municipal Post and Telematics Services under the former's directions.

#### 2. Key projects and schemes

- A project to develop human resources, increase quantity and improve quality of information

technology training is implemented by the Ministry of Education and Training in coordination with the Ministry of Post and Telematics;

- A project to build up the brand and image of Vietnam's software industry, boost trade promotion and expand markets for software export and processing is implemented by the Ministry of Post and Telematics in coordination with the Ministry of Trade and the Software Enterprises Association;

- A project to develop a number of Vietnam's key software products and services is implemented by the Ministry of Post and Telematics in coordination with municipal/provincial People's Committees and the Software Enterprises Association;

- A scheme to set up the Software Industry Development Fund is devised by the Ministry of Post and Telematics in coordination with the Software Enterprises Association and submitted to the Prime Minister for consideration and approval;

- A project to raise software enterprises' capacity and support the application of production processes up to international standards is implemented by the Ministry of Post and Telematics in coordination with provincial-level People's Committees;

- An investment project to build the Software Industry Institute is taken charge by the Ministry of Post and Telematics;

- A project to build and operate software industry information portal is implemented by the Ministry of Post and Telematics in coordination with the Software Enterprises Association.

#### **IV. FUNDS FOR PROGRAM IMPLEMENTATION**

The State prioritizes the allocation of funds to Program implementation. The Program's total cost

is estimated at USD 70 million, of which 30% shall be taken from the central budget, 30% from local budgets and 40% from enterprises, associations, ODA and other sources.

#### **Article 2.- Organization of implementation**

1. The Ministry of Post and Telematics shall assume the prime responsibility for, and coordinate with ministries, ministerial-level agencies, government-attached agencies and provincial-level People's Committees in, implementing this Program.

2. Ministries, ministerial-level agencies, government-attached agencies and provincial/municipal People's Committees shall, apart from organizing implementation of the sub-programs and key projects specified in Section III, Article 1, base on the Program's contents, especially policies and solutions defined in Section II, Article 1, to devise and organize the implementation of relevant programs, projects or schemes. The implementation of programs, projects and schemes must ensure the efficient combination and integration with other information technology programs, projects or schemes.

3. Specific responsibilities of ministries, branches and localities

a/ The Ministry of Post and Telematics shall assume the prime responsibility for, and coordinate with the Ministries of Finance; Justice; Trade; and Education and Training; and relevant ministries and branches in, organizing the application of solutions to complete the legal environment, raise the state management capacity and support the software industry development; conducting trade promotion, building up the brand for the software industry, and expanding the domestic information technology market;

building the software industry information portal, supporting the improvement of enterprises' competitiveness, increasing Internet and telecommunications infrastructure, designing and implementing short-term training programs on software technologies and skills, standardizing the systems of information technology non-formal training programs, diplomas and certificates, setting up a software industry development support fund,

b/ The Ministry of Education and Training shall assume the prime responsibility for, and coordinate with the Ministry of Post and Telematics, the Ministry of Labor, War Invalids and Social Affairs and relevant ministries and branches in, organizing implementation of solutions, programs and projects to boost the development of information technology human resources, increase the quantity and improve the quality of information technology training, increase the use of open-source software in learning and training activities for all disciplines and training levels,

c/ The Ministry of Planning and Investment shall assume the prime responsibility for, and coordinate with the Ministry of Finance and Ministry of Post and Telematics, provincial/municipal People's Committees and relevant ministries and branches in, mobilizing sources to ensure sufficient funds for program implementation, especially state budget and ODA sources, balancing and summing up sources in annual state plans for programs, projects and plans on software industry development of ministries, branches and localities, organizing the application of measures to concentrate resources on, and to attract domestic and foreign investment in, software industry development,

d/ The Ministry of Finance shall assume the prime responsibility for and coordinate with the

Ministry of Planning and Investment and the Ministry of Post and Telematics in, elaborating and promulgating regulations on tax, credit, loan, land rent and infrastructure preferences for organizations and enterprises operating in the software industry, elaborating and promulgating regulations on import duty on foreign software products and services, prioritizing the allocation of funds to Program implementation, especially funds from the state budget and ODA sources for the implementation of programs and projects on software industry development of ministries, branches and localities,

e/ The Ministry of Trade shall support and coordinate with the Ministry of Post and Telematics, the Ministry of Foreign Affairs and relevant ministries and branches in organizing implementation of solutions, programs, projects to boost trade promotion and software export processing, building up the brand for Vietnam's software industry, creating favorable conditions for overseas Vietnamese to invest in software production and trading in Vietnam and to cooperate with and support domestic organizations and individuals in market promotion and transfer of software technologies and knowledge,

f/ The Ministry of Science and Technology shall assume the prime responsibility for, and coordinate with the Ministry of Post and Telematics and relevant ministries and branches in, intensifying software research and development activities, prioritizing investment projects on software technology research and development and transfer, boosting the implementation of the plan on application and development of open-source software, investing in research and development of a number of open-source software products of high socio-economic efficiency meeting Vietnam's information



technology application demand;

g/ The Ministry of Culture and Information shall assume the prime responsibility for, and coordinate with relevant agencies in, elaborating and promulgating or submitting to competent authorities for promulgation regulations detailing the Intellectual property rights Law concerning information technology in general and software in particular; organizing the application of solutions and measures to lower the rate of software copyright infringements in Vietnam; enhancing the capacity and operation efficiency of agencies in charge of management and enforcement of intellectual property rights to software; guiding and improving procedures to facilitate the publication, import and export of software;

h/ The Ministry of Labor, War Invalids and Social Affairs shall assume the prime responsibility for, and coordinate with the Ministry of Post and Telematics and relevant ministries and branches in, adopting mechanisms and policies to boost software labor export;

i/ The State Bank of Vietnam shall coordinate with the Ministry of Finance and relevant ministries and branches in devising and issuing mechanisms and policies to assist software enterprises in getting trust loans for software export processing, human resource development, research and development, technology transfer and higher competitiveness;

j/ Provinces and centrally run cities, especially Ho Chi Minh City, Hanoi and Da Nang, shall, based on the Program's contents, devise and organize implementation of sub-programs and projects on software industry development; prioritize the allocation of local budget to Program implementation; raise software enterprises' competitiveness; support the promotion of

software export processing; build and increase investment in the development of software industrial parks;

k/ The Vietnam Software Enterprises Association shall coordinate with the Ministry of Post and Telematics and relevant ministries, branches and localities in devising and organizing the implementation of programs and projects on corporate development, trade promotion, and market and product development, raising of funds from organizations, enterprises and individuals to develop the software industry.

*Article 3.-* This Decision takes effect 15 days after its publication in "CONG BAO."

*Article 4.-* Ministers, heads of ministerial-level agencies, heads of government-attached agencies, and presidents of provincial/municipal People's Committees shall implement this Decision.

*Prime Minister*  
NGUYEN TAN DUNG