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Vietnam's SCIC: A Gradualist Approach to Sovereign Wealth Funds

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ABSTRACT

Vietnam's State Capital Investment Corporation (SCIC) was established in 2005, with the primary goal of helping the authorities to make, under market conditions, the most of state capital investments in business enterprises. To date, SCIC has had to grapple mainly with facilitating the "equitization" (that is, privatization) of large numbers of state-owned enterprises. As yet it is still too early to make a firm assessment of SCIC's performance with regard to either of the above objectives. Nevertheless, a discernible picture has begun to emerge, in which SCIC appears to have been a typical example of Vietnam's gradualist approach in transitioning to a more market-oriented economic system: the pace of change may have been slow and uneven, but there are clear indications of movements toward the end goal.

JEL classifications: G29, H69, H82, O16, P34.

Keywords: State Capital Investment Corporation (SCIC), sovereign wealth fund (SWF), state-owned enterprise (SOE), Vietnam, economic transition.

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