

Overview of Commercial Bank Loans to Business and Individual Customers

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Abstract:

The article provides an overview of the theoretical basis of a commercial bank's lending to corporate and individual customers. The article is based on an overview of the theoretical basis and law of Vietnam for general analysis.

Keywords: Commercial bank's lending, corporate and individual customers

1. Introduction

During the process of international economic integration, the Vietnamese economy has made positive changes, many businesses have grown rapidly in scale and efficiency. The number of businesses increased rapidly. Enterprises play a very important role in the economy, are the main users of capital in the economy, contributing to improving the efficiency of capital in the whole society, promoting innovation and economic development. economy, quickly integrating our country's economy with the regional and international economy. In recent years, with the process of equitization, arrangement and renovation of State enterprises' operations and supportive policies of the Government, ministries, branches and localities have created a favorable business environment. benefit businesses with opportunities to develop and improve business efficiency.

In addition, there are still many businesses facing many difficulties and challenges due to limitations stemming from small scale, weaknesses in production and business capacity, competitiveness, ... mainly due to lack of investment capital. Therefore, the issue of lending to these enterprises becomes more and more urgent for maintaining, innovating, developing businesses, and developing the economy.

When the client side develops and the demand for banking transactions of individual customers is increasing, it is important to pay due attention to the quality of banking operations for individual customers. inevitable demand in the competitive strategy of commercial banks, in line with the trend of retail banking business development.

2. Literature review

2.1. The concept of Bank credit, loan

Credit is an economic category and it is also a product of the commodity economy. Credit was born and existed through many socio-economic forms. Credit relations were born from the time when the original communal regime began to disintegrate. When the private regime of the means of production appeared, it was also the exchange of goods at the same time. In this period, credit was made in the form of borrowing in kind - goods. Later, credit has shifted to monetary borrowing. Bases for credit and credit subjects include: commercial credit, bank credit and State credit.

Bank credit is an asset transaction between a lender and a borrower, in which banks and credit institutions are both borrowers and lenders. The lender temporarily transfers the right to use the property to the borrower within the agreed period, the borrower is obliged to unconditionally return the full amount of capital and interest to the lender upon the maturity date.

According to Article 4 of the Law on Credit Institutions No. 47/2010 / QH12 dated June 16, 2010:

Credit extension means an agreement for an organization or individual to use an amount of money or committing to allow the use of an amount of money on the principle of repayment by the operation of lending, discounting, financial leasing, or factoring. payment, bank guarantee and other credit operations.

Lending is a form of credit in which the lender assigns or commits to hand over to the customer an amount of money to use for a specified purpose for a specified period of time as agreed with the principle of repayment. principal and interest.

- Discount is the purchase of a term or the purchase with reservation for recourse of negotiable instruments and other valuable papers of the beneficiary prior to maturity.

- Financial leasing is a method of financing by property under a financial leasing contract, in which the lessor is the owner of the property, allowing the lessee to use the property for a specified purpose and lease period. . The lessee is responsible for paying the rent periodically throughout the lease term and cannot cancel the contract but has the option to buy, return, or continue leasing the property until the end of the lease term.

Factoring is a form of credit granting to the seller or the buyer through the repurchase with the right to reclaim the receivables or payables arising from the purchase, sale of goods or supply. services under goods sale and purchase contracts or service provision.

- Bank guarantee is a form of credit extension whereby the credit institution commits to the obligee that the credit institution will perform financial obligations on behalf of the customer when the customer does not perform or does currently not fully committed obligations; the customer must accept the debt and repay it to the credit institution as agreed.

Thus, lending is a form of credit. In the current Vietnamese economy, lending is the main form of credit, bringing most of revenue to credit institutions.

2.2. The role of bank credit

Commercial banks are the intermediaries to transfer capital from surplus to insufficient place by credit operations in order to overcome the shortage - lack of capital, promote the efficiency of capital use. The circulation of capital derives from the interests of both Parties.

Idle capital sources are mobilized from economic organizations and individuals forming a large source of capital from credit institutions, which are provided by credit institutions to customers in need. in terms of capital: Government, businesses, individuals....

- Meet the capital needs of businesses: Enterprises always need additional capital to invest in technology innovation, invest in machinery and equipment, expand production and business scale, exploit capacity. enterprises, improve product quality, create new products to meet the increasing consumer demand of the market and a large amount of capital to supplement the shortage of working capital. This is in constant and great demand.

- Capital needs of the population: Capital needs of the population include: Capital needs for production and consumption in life. Therefore, there are 2 types of credit: credit for production and business and consumer credit. Capital needs are increasingly large due to the encouragement of the individual economic development, the household economy in the multi-sector economy and the consumption demand in life that is increasingly diversified and plentiful because of the people's income. grow taller.

- State needs: Until now, most states are in a state of shortage of money to spend on the performance of their functions and duties. One of the ways to offset the budget deficit, the State can borrow from banks and other credit institutions in the economy.

Loans are activities that bring significant income to the bank. In Vietnam, income from loan interest always plays an important role and is the main source of income for credit institutions. However, this is also a potentially risky activity for the Bank.

2.3. Some of the main forms of lending in the economy

- Based on the loan term:

Short-term loans: loans with a term of up to one year, used to offset the working capital shortfall of businesses and short-term personal spending needs.

Medium and long-term loans: Loans with a term of more than one year, mainly used to purchase fixed assets, improve or renovate equipment, technology, expand production equipment trading, building business projects, building houses, buying large-scale means of transport, building new factories. In agriculture, medium and long-term loans mainly invest in: buying plows, milling machines, building irrigation canals, improving trash gardens ...

- Based on the loan purpose

Business and production loans: are loans for the purpose of supplementing capital for production and business, investment of enterprises and industries, including: Supplementing working capital (working materials), purchasing machinery and equipment, investment in facilities. material for production and business activities ...

Consumer credit: Meeting the consumption needs of individuals.

- Based on the creditworthiness of the lending customer, credit is divided into:

Unsecured credit: is a type of credit that does not need collateral, pledge or guarantee of a third party, but the loan is only based on the reputation of the borrower himself.

Secured credit: is a type of credit provided by a bank on the basis that the borrower must have collateral or pledge or must be guaranteed by a third person.

- Based on the refund method

Installment Loan: A type of loan in which the customer must repay the principal and interest periodically. This type of loan is mainly used for real estate loans, consumer loans, loans to small business people with regular income.

Non-installment loan: A type of loan that can be paid in lump sum according to the agreed term.

- Based on the form of loan

Line of credit loan: is the highest loan balance that a bank commits to make to a customer, effective in a certain period of time, usually 1 year. The credit limit is determined on the basis of the customer's borrowing needs and the bank's ability to meet. Once the credit limit has been set by the bank, the customer is entitled to borrow capital with the balance within that credit line.

Loan for each time: Applicable to economic organizations and individuals that have irregular and irregular loan demands, and are not allowed to set credit limits. Single loan has the following characteristics: Credit capital only participates in a certain period or a certain process in the production and business cycle, the capital rotation cycle of the entity. On the bank side, lending and debt collection are handled by each loan.

Loan for investment projects: Credit institutions provide loans to customers to implement investment projects to develop production, business, service and investment projects in service of life.

Overdraft Line Loan: A credit extension technique where a bank allows the customer to overspend the balance on the customer's checking account to make payment transactions in a timely manner. for business needs.

Lending according to reserve credit limit: Credit institutions are committed to ensure availability for customers to borrow capital within a certain credit limit. The credit institution and the customer agree on the effective term of the backup credit limit. fee charged for the backup credit line.

Loans through the operation of issuing and using credit cards: Credit cards are bank cards issued to customers who use to pay for goods, services, or withdraw cash at ATMs in the region. breaching the credit line approved by the bank in the credit agreement.

Syndicated loan: A type of loan in which a group of commercial banks jointly finance a loan project. In which a bank acts as a clue to arrange and coordinate with other banks to lend together.

Valuable vouchers discount: Commercial banks will pay in advance for bills of exchange or other valuable documents that are not due for payment at the request of beneficiaries by immediately deducting a certain amount of money. discount, the amount of the deduction is calculated according to the value of the voucher, the discount period, interest rates and other discount rates, the remaining amount is paid to the beneficiary.

Loan process

In order to define specifically the duties and responsibilities of the concerned parties and ensure the lending activities are conducted in a consistent and scientific manner in a reasonable order, on that basis, to minimize risks. risk when granting credit, saving time, cost, best meeting the needs of customers ... Commercial banks often build credit granting processes. In fact, each commercial bank has built its own lending process, in accordance with the characteristics of its situation. However, basically the content of the lending process consists of the following key steps:

Step 1: The customer relationship specialist does the marketing; Receiving demand for using the bank's products and services from customers. Based on the needs of the Customer, the Science Planning Specialist instructs customers to prepare a credit profile according to each Bank's regulations.

Step 2: Assessment, analysis, risk assessment of legal status and capacity, customer's executive and business management and production capacity, customer relationship with the bank, analysis of financial situation customers themselves, production and business plans / Investment projects, customers' ability to repay loans, customer security assets, identification of signs of risks from customers

Step 3: Approval for credit extension. With the results after the assessment, analysis, and appraisal of risks to customers, the bank will make a decision to agree or refuse to lend to customers whose loan application has been assessed.

Step 4: Disbursement / guarantee issue. After the credit contract is signed between the bank and the customer, the disbursement to the borrower is executed by the bank in accordance with the terms agreed in the contract.

Step 5: Monitoring and control. The credit officer is responsible for monitoring the approval process and determining whether the loan / guarantee has been disbursed / guaranteed, the customer's obligations to the bank that have arisen to take measures to check, monitoring, recall.

Step 6: Urge debt collection. Based on the debt repayment term as agreed in the credit contract, the credit officer reminds the customer so that the debt can be recovered in accordance with the agreed term.

Step 7: Liquidate the credit extension contract. When the customer has paid off all principal, interest, fees or the expired guarantee obligations, the Bank and the customer shall carry out procedures for contract liquidation.

3. Loans to Corporate and Personal customers

According to Clauses 14 and 16, Article 4, Law on Credit Institutions No. 47/2010 / QH12: Credit extension is an agreement for an organization or individual to use an amount of money on the principle of repayment by the loan profession. , discount, financial leasing, factoring, bank guarantee, and other credit operations.

Thus: Lending to corporate customers is a form of credit in which commercial banks assign money to corporate customers to use within a certain period of time as agreed with the principle of repayment. Principal and interest for the purpose of meeting the borrowing needs to serve production and business development.

Loans to individual customers (CVKHCN) is a form of credit, is a part of the lending profession. The bank lends money to individuals and households that take out a loan to meet the spending needs of living or to supplement business capital for trading, business and production of individual households. .

Lending to corporate customers is one of the credit expansion goals of banks today. Not only in developing countries like in our country today but in developed countries, corporate customers are also customers to pay attention because this is a very potential market, businesses are increasing. across the country and the demand for this business sector is enormous.

Like other lenders, corporate lending has a full range of lending methods, but it is somewhat stricter in terms of business processes and supervision. Some of the basic characteristics of business loans can be listed as follows:

Lending to businesses is not risky because business activities are subject to many impact factors, especially the volatility of the market economy, and at the same time most businesses lack collateral. to the loss of liquidity when a large enterprise goes wrong. Besides large enterprises, SMEs have small size of capital and assets; accounting books and reports are not clear and transparent; using outdated technology in production and business; qualifications of workers and employees as well as management qualifications of business owners are still low.... Therefore, the credit relationship between small and medium enterprises and commercial banks has the following characteristics:

First, in terms of loan size: very low on average per small and medium enterprise.

Second, on loan terms: mainly short-term loans.

Third, on loan security: most SMEs must have collateral when borrowing from commercial banks.

Fourth, on the purpose of the loan: mainly used to supplement working capital.

Fifth, about interest rates: less preferential interest rates, interest rates set by commercial banks because SMEs do not have high credit from commercial banks.

Sixth, on the ability to repay loans: SMEs easily find it difficult to repay loans when there are fluctuations in the financial and monetary markets such as inflation, economic crisis, finance....

With the characteristics of enterprises and bank credit to enterprises, the credit relationship between SMEs and commercial banks has the following potential risks:

- Asymmetric information situation (most information that customers provide to banks is often difficult to have evidence to prove, or to verify) makes banks unable to grasp the signs of risk of SMEs. In a comprehensive and complete manner, banks can easily lose capital when deciding to lend to customers with poor business performance.

- Small businesses often do business based on familiar and fragmented relationships, making it difficult for banks to detect risks in their business operations once they disburse.

- The financial capacity of the SMEs is limited, in particular, the equity is low, so when in difficulty, it is easy to lose the liquidity, leading to the difficulty in the recovery of the bank's loan.

- The misuse of capital by SMEs also raises the risk of losing capital of the bank. SMEs often use loans for personal and family purposes.

- Business SMEs often depend on a number of large customers, when these customers have difficulties, SMEs will also face difficulties, thereby causing risks to the bank.

- SMEs' weak financial management ability also raises risks for banks in collecting loans on time.

With the characteristics of borrowers are individuals, households, and co-operative groups that need capital for consumption, investment or production and business activities of that individual or household. Unlike businesses and economic organizations, individual customers often have a very large number, borrowers often vary in industry characteristics, income, geography, borrowing purposes, debt repayment sources ... Therefore, the demand for loans is diversified, but irregular and influenced by the economic, cultural - social environment. Therefore, in different regions, the borrowing needs of individual customers are also very different.

Normally, loans to individual customers with capital size are usually smaller than loans to customers of businesses or economic organizations. However, for commercial banks operating under the orientation of retail banks, they often have a very large amount of loans to individual customers. Therefore, total loans to individual customers often account for a large proportion of total outstanding loans of banks.

The loan term depends on each bank, each customer segment has banks, short-term loans account for a large proportion, medium and long-term loans account for a small proportion and vice versa.

Personal loans often do not have the conditions to take advantage of cost savings due to their small size and large number of re-loans, so banks often spend a lot of money in both human and instrumental terms. for customer development, appraisal, review and loan management. Therefore, the cost per loan is often higher than loans to corporate customers.

Loans for individual customers are often higher than loans to corporate customers. The reason is that the cost of science and technology loans per unit of loan capital is large, less sensitive to interest rates, the interest rate for science and technology loans is usually 1.2 to 1.5 times higher than that of the corporate customer.

Science and technology loans always have high credit risk, lenders are individuals and households whose financial situation easily changes depending on their health and job status, management qualifications. production and business activities are still weak, lack of experience, outdated scientific and technical qualifications, so their competitiveness in the market is poor. Banks often face risks when borrowers are unemployed or bankrupt. On the other hand, the appraisal and decision on lending to individual customers are often inadequate with information, which is also one of the reasons leading to the credit risk situation for science and technology loans.

The special enterprise model for SMEs is one suitable for the commodity economy, allowing the efficient exploitation and use of all potentials and resources in the economy including capital - labor - resources. and technology. Therefore, the development of enterprises, including SMEs, is of particular importance in the economy. In the current competition mechanism, when all types of businesses are promoting business efficiency at the highest level, SMEs have to make more efforts to meet new requirements, products need better. More diversified, more modern equipment, machines and technology need to be more advanced and inevitably need more capital. Thus, in the end, capital is still a prerequisite, deciding the success or failure of an enterprise. However, in reality, SMEs often face financial difficulties and always lack of capital is the most prominent problem. With the ability to concentrate temporarily idle capital sources in the economy, the bank's lending activity is a bridge to promote the economic development in general, so the bank's lending activities are The capital supply channel plays an increasingly important and necessary role for SMEs, which is shown on some of the following aspects:

- Is an economic lever to support SMEs to develop, to change economic structure.

With the activity of borrowing to lend, the bank has created opportunities for SME owners who want to expand production or business or carry out a business project to borrow capital to implement. The impact of bank credit regulates the movement of investment capital, balances the rate of return, promotes the development of SMEs, and the bank credit always directs investment in businesses with high profit margins. , restrict or do

not invest in low-margin SMEs. Thereby, the bank credit changes the relationship of supply and demand for goods and changes the structure of economic industries.

- Contribute to increasing capital sources, improving the competitiveness of SMEs.

One of the objective laws of the market mechanism is competition and this rule is increasingly important, making a huge decision on the existence and development of businesses in general and SMEs in particular. However, due to their characteristics and nature, SMEs face many difficulties in developing, creating market share, creating confidence, creating an image while the position of large domestic and foreign enterprises has been stable. Therefore, the current trend of SMEs is to find joint ventures and partnerships to supplement and complete their limitations, especially capital constraints.

However, for large investment and development, joint ventures and affiliations are not enough because equity capital is often limited, and the ability to accumulate is low, it takes many years to get enough capital, but then business opportunities. maybe not anymore. Therefore, SMEs often find ways to mobilize capital from all economic sectors, mainly from bank credit. When capital is disbursed, the financial strength of SMEs increases, SMEs also have the opportunity to fulfill their goals, expand production and business, dominate the market, and create a competitive position.

- Create conditions for SMEs to access capital sources from abroad.

In addition to stimulating domestic economic organizations and individuals to save money, promoting accumulation and concentration of monetary capital, bank credit also attracts foreign capital in many forms such as loan in cash, guarantee for SMEs to buy deferred payment equipment, use L / C limit.... Thus, international relations of SMEs have been expanded, creating favorable conditions for SMEs, especially SMEs operating in the import and export sector. Through this loan, SMEs establish an optimal capital structure that ensures effective combination between borrowing and equity capital to produce lower cost products, but still ensure quality. accepted by the market. Only then can SMEs achieve the goal of maximizing profits in their business operations.

- Contribute positively to forming a synchronous market system of factors "input" and "output" for SMEs.

SMEs have low working capital compared to their essential capital needs. The capital source to buy materials and goods to reserve for production and business (both domestic and foreign) is mainly offset by bank credit capital. On the other hand, bank credit also has a strong impact on the consumption of products for businesses through the expansion of consumer credit; lending or guaranteeing to economic organizations and individuals operating in the domain of circulation, purchase and sale of goods. However, the bank only focuses on lending to goods with high quality and good competitiveness, thereby promoting the establishment of a new economic structure in a modern direction.

- Contribute to improving production and business efficiency of enterprises.

To ensure the Bank's debt repayment, and the interests of the business owner, it is imperative that the business operations of the enterprise be profitable. In addition, when lending to banks, they regularly check the business situation as well as the financial situation of the enterprises and they only lend to enterprises with good business results, healthy financial status, transparency, and assurance. guarantee to be able to pay debts to the bank. This factor motivates businesses to pay more attention to efficiency in using capital, reduce production and business costs, increase capital turnover to create conditions to improve the ability to maximize profits of businesses. Capital management through the economic accounting process contributes to strengthening the economic accounting regime in enterprises more firmly. Before, during and after disbursement, the bank is always interested in the business activities of enterprises so that they can give comments and participate in areas known to the bank, also because the bank has relationships with many owners. Therefore, the information they capture is also very fast and accurate, helping businesses proactively face opportunities and challenges, thereby finding the best measures to improve production and business efficiency. .

- Contribute to improving the level of scientific technology, product quality and design.

Besides large enterprises SMEs with low capital characteristics, it is difficult for SMEs to invest in advanced and modern production technology to improve product quality and design. Therefore, capital mobilized from banks can be considered an important source for SMEs to fulfill this need.

- Contribute to improving the management level of business leaders and workers' skills.

Improving the management skills of business leaders and the skills of workers will contribute to improving the management efficiency of businesses and increasing labor productivity. Despite understanding this, SMEs, especially small businesses, do not want to spend money on training, all business capital sources focus on their production and business activities. Therefore, if enterprises can access credit sources from banks, they will increase working capital for enterprises, from which enterprises will be more bold in their training. Through some of the above aspects, we can see the great role of bank credit for SMEs, and will be more important for SMEs operating in rural areas, in areas facing many difficulties. .

Currently, the competition among commercial banks is getting fiercer, especially in urban areas where a large number of customers with financial resources and dense banking density are concentrated. Under the competitive pressure of banking services over the past few years and the rapid development of Information Technology, many banks have determined their own business development strategies in line with retail banking.

Science and technology lending in particular and retail banking in general will contribute to increasing the market share of commercial banks, bringing the bank's image to a large number of customers, providing customers with a portfolio of products. Diversified products, serving the maximum needs of all customers.

Vietnam has a stable political environment, a more and more complete legal system, and a continuous and stable economic environment over the years. The development of socio-economic life and increased income also lead to the consumption habits of the people. The quality of life of the people is constantly improving, consumers are more demanding and the need for a higher life, especially the demand for housing, private vehicles and many other purposes . Therefore, science and technology lending will continue to grow rapidly in the coming years.

For commercial banks, the expansion of lending to individual customers helps the bank expand relationships with diversified customers, diversify business activities, distribute risks and increase profits.

For customers, the science and technology lending activities of commercial banks well solve urgent needs for capital in business and improve customers' lives, helping them enjoy a higher standard of living even though they cannot afford to pay. present.

For the economy, science and technology lending has a positive effect in stimulating consumption demand, thereby creating a stimulating effect on products, promoting production development, contributing to economic promotion, ensuring security. society.

Therefore, expanding the Bank's lending activities to businesses and industries is really necessary to perfect an economy, especially a developing economy like our country today.

Types of loans for corporate and individual customers

The Bank's lending to Enterprises is mainly done in the following forms:

Credit line loan: is the highest loan balance that a bank commits to make to a customer, effective in a certain period of time, usually 1 year. The credit limit is determined on the basis of the customer's borrowing needs and the bank's ability to meet. Once the credit limit has been set by the bank, the customer is entitled to borrow capital with the balance within that credit line.

- Loan for each time: Applicable to economic organizations that have irregular and irregular loan demands, and are not allowed to set credit limits. Single loan has the following characteristics: Credit capital

only participates in a certain period or a certain process in the production and business cycle, the capital rotation cycle of the entity. On the bank side, lending and debt collection are handled by each loan.

- Investment project loan: Credit institutions provide loans to customers to implement investment projects for production and business development.

Overdraft line loan: is a credit extension technique where a bank allows customers to overspend the balance on customers' checking accounts to make payments in time. time for production and business needs.

- Lending according to reserve credit limit: Credit institutions are committed to ensure availability for customers to borrow capital within a certain credit limit. The credit institution and the customer agree on the effective term of the backup credit limit. fee charged for the backup credit line.

- Valuable vouchers discount: Commercial banks shall prepay draft bills or other undue valuable documents at the request of beneficiaries by immediately deducting a certain amount called. is the discount, the amount of the discount is calculated according to the voucher value, the discount period, interest rates and other discount rates, the amount

- Overdraft lending: Overdraft is a lending operation whereby a bank allows the borrower to exceed its balance of payment deposits to a certain limit and within a specified period of time. This limit is called the overdraft limit.

- Loan for each time: It is a form of loan in which each loan, customers have to apply and submit to the bank the plan of using loan capital. This is a relatively common form of the Bank for customers who do not have regular borrowing needs and are ineligible to be granted overdraft limits.

Line of credit: This is a credit operation whereby the bank agrees to grant customers a credit line. Credit limit is calculated for the whole period or at the end of the period, it is the maximum balance at the calculation time. This is a convenient form of loan for customers who borrow regularly and regularly participate in the production and business process.

- Installment loan: When borrowing, the Bank and customers agree to determine the amount of loan interest payable plus the principal amount divided to pay the debt in many terms during the loan term.

- Consumer loans: Loans to meet the spending needs of individuals and households such as: building and repairing houses, purchasing household items, buying cars, studying abroad, medical treatment ...

- Loans for production and business: are loans for the purpose of supplementing capital for production and business, investment of individuals and households, including: Supplementing working capital (BSVLD), purchasing machinery and equipment, investment in facilities for production and business activities ...

- Unsecured loan: A type of loan without collateral, pledged or guaranteed by a third party, the loan is based on one's own reputation.

- Lending with collateral: A type of loan with collateral, the property of the customer or a third party securing the customer's loan such as: Real estate, immovable property, paper price ...

Short-term loan: This loan has a term of up to 12 months and is used for production and business activities or short-term spending needs of individuals.

Medium-term loan: Loan term from over 12 months to 5 years

Long-term loans: Long-term loans have terms of more than 5 years and up to 20-30 years.

4. Conclusion

The Government should take measures to stabilize the macroeconomic environment through the implementation of measures to stabilize politics, clearly define economic development strategy, investment direction, and structural transformation. economy in a reasonable way to stabilize the market, stabilize prices,

curb inflation, create conditions for the economy to develop, improve people's incomes and lives to help accumulate and people's consumption is increasing. In addition, the Government should also invest in the development of the consumer goods manufacturing industry, support the development of businesses, especially small and medium-sized enterprises, and adopt supportive policies and mechanisms to facilitate development. synchronous businesses in all fields.

The Government should have legal documents targeting ministries, agencies, corporations and large enterprises to coordinate with the Bank in confirming loan applications and recovering debts for officials and employees. under the unit I borrowed from. The Government should consider supporting businesses in other forms: tax reduction, interest rate support ... will bring better results, consistent with the law of supply and demand of the market.

In recent years, the Government has had many policies to encourage investment through financial measures, providing credit support for businesses and individuals operating in traditional industries specific to localities, Focusing on supporting small and medium-sized enterprises, business households using many workers in rural areas, supporting businesses and individuals to access infrastructure resources. To support businesses and individuals to develop, make more contributions to economic development and job creation, the government and the State need to focus on tax, fees, and investment policies. Infrastructure ... accelerate the development of infrastructure, urban areas, entertainment areas, have a master plan, clearly and transparently to each locality, and supervise units and investors. implementing projects to ensure progress, resolutely revoke suspended projects, projects that are behind schedule, investors are incapable, gather resources for synchronous development of all economic sectors, stimulating demand. for the private sector and small and medium enterprises to develop.

In addition, the Government should pay attention to ministries, direct relevant ministries to strictly comply with the handling and collection of bad debts of commercial banks, avoiding as the National Assembly promulgates a circular. , the resolution on bad debt handling is complete, the work of urging the coordination among ministries and agencies is not implemented, there is no mechanism to supervise and report on responsibilities and obligations of government organizations participating in the public. Bad debt settlement leads to accountability, there is no coordination among local mass organizations, the content of the resolution is not enough to discourage customers from arising bad debts, such as Resolution No: 42/2017 / QH14 dated June 21, 2017.

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- x. *Decision No. 493/2005 / QD-NHNN of the Governor of the State Bank of Vietnam promulgating Regulations on classification of debts, setting up and use of provisions against credit risks in banking activities of organizations. Credit.*
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