Gates sees hope of IT 'miracle' in Vietnam

By Amy Kazmin in Hanoi

Bill Gates, founder and chairman of Microsoft, made his first visit to Vietnam this weekend, offering to help promote the Communist-ruled country's fledgling software outsourcing industry and recommending greater investment in education to help Vietnam plug into the information economy.

During a one-day visit that Hanoi hopes will help draw attention to its high technology potential, Mr Gates expressed optimism that Vietnam would join the list of "Asian miracle" economies in the next decade. He was keen to "get a sense for the commitment to engineering and computer science education" in Vietnam as he considered "how to raise our investment" there.

Vietnam has sought to match India's massive software outsourcing industry but its software exports, valued at $70m a year, fall far short of the $500m target it set in 2000.

Software entrepreneurs, many of whom came from the west, battle against constraints such as the theoretical nature of Vietnamese information technology education and a lack of experienced project managers to liaise between overseas clients and young programmers

Vietnam also suffers from a reputation as one of Asia's most prolific intellectual property rights violators, as it churns out pirated software.

About 92 per cent of the software used in Vietnam, including that used by many government agencies and state enterprises, is illegal copies sold on the street for a few dollars.

During Mr Gates' visit, Microsoft representatives signed an agreement with the Ministry of Finance that will become the first Vietnamese government ministry to use licensed, legal software. The deal also involves development of a modern customs system.