



EXPORT PROCESSING ZONE, HI-TECH PARK AND TRIANGULAR ZONE FOR DEVELOPMENT

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At present, a nation, either developed or developing, can't save itself from effects caused by economic and political events at regional or international level. The globalization and regionalization become trends in which nations are encouraged to cooperate with one another in all fields. This cooperation makes nations get together and depend on one another and makes the domestic market part of the regional or international market.

The regionalization, or the cooperation between countries in the same region, also becomes a matter of great importance and urgency to many economies. At the national level, differences in resources and growth rate also force provinces to cooperate with one another. That is why the development of export processing zones and hi-tech parks should be included in a master plan that aims at making the best use of national comparative advantages and attracting cooperation and investment from surrounding countries. It's the master plan that deter-

mines the success of export processing zones and hi-tech parks.

1. Triangular zone for development

To solve macroeconomic problems that are beyond reach of governments, they usually think of forming regional economic blocs (NAFTA and AFTA for example) while the formation of triangular zones for development is usually considered as a good solution to microeconomic problems.

Triangular zone for development is a form of cooperation between three neighboring localities with different comparative advantages. The cooperation serves as a foundation important to all partners in their effort to industrialize their economies and promote their export based on comparative advantages of the whole zone. Thus, the triangular zone for development is the regional cooperation at a smaller scale. One of good examples of this model is the SIJORI, a triangular zone formed jointly by Singapore, Malaysia and Indonesia.

A triangular zone for development is usually characterized by:

- opportunities for all partners to make use of their comparative advantages in a bigger zone with better potentials.

- encouragement to division of labor, specialization and changes in the structure of industry of individual economies.

- lower degree of risk because all partners only pay attention to the use of comparative advantages and export promotion and require no macroeconomic coordination of related governments.

- availability of high technologies, offered by investors from developed countries.

2. Possibility of forming triangular zones for development in Vietnam

From the master plan for vital economic zones in Vietnam and characteristics of triangular zones for de-

velopment, we could work out the possibilities of forming the following kinds of triangular zones for development in Vietnam:

a. Transnational triangular zones:

According to Jean Pierre Verbiest from the ADB, future developments of Indochina and some Chinese provinces will take place around the three following transnational triangular zones:

- The first triangle includes Hà Nội and Hải Phòng in Vietnam; Hunan and Hong Kong; and other South Chinese provinces.

- The second one includes Northern Thailand, Vientiane and Savannakhet of Laos, and Central Vietnam.

- The third one includes South Vietnam with HCMC as a hub; Cambodia and Thailand eastern coast.

b. Domestic triangular zones:

- + Hà Nội- Quảng Ninh- Hải Phòng: This zone has Hà Nội, Hải Phòng and Hạ Long as its industrial centers; Cái Lân and Hải Phòng as its main ports; Nội Bài as its main airport; and the Hồng Delta along with South China as sources of raw

materials. Potential markets for exports from this zone are Japan, Hong Kong, Taiwan, South China and South Korea. The Hải Phòng 96 EPZ is the center of this triangle. This zone is inside the first transnational triangular zone.

+ Quảng Ngãi- Đà Nẵng- Huế: In this zone, there are industrial centers in Đà Nẵng and Dung Quất; sea-ports Đà Nẵng, Hòn La and Dung Quất; and raw materials from coastal provinces and Western Highlands. Its target markets are Laos, north-eastern Thailand and Myanmar. Besides Dung Quất Industrial Park, a future export processing zone in Đà Nẵng will serve as a hub for this zone. This zone is in the second transnational triangular zone mentioned above.

+ HCMC- Đồng Nai- Bà Rịa-Vũng Tàu: There are industrial centers (HCMC, Bình Dương, Biên Hòa and Vũng Tàu); ports (Saigon, Vũng Tàu and Thị Vải), airport (Tân Sơn Nhất); sources of raw materials (eastern south Vietnam) in this zone. Its potential markets are Cambodia, Japan, NICs, ASEAN bloc and China and its hub is HCMC. This zone is in the third transnational triangular zone.

+ Cần Thơ- An Giang- Đồng Tháp: With industrial center Cần Thơ, Cần Thơ port, Trà Nóc airport, raw materials from the Mekong Delta and Cần Thơ EPZ as its hub, this zone could export its products to ASEAN countries.

3. Infrastructure for triangular zones for development

a. Vietnam is taking part in building the 565Mb/s fiber-optic cable connecting Thailand, Hong Kong and Vietnam; and another 2.5Gb/s cable connecting Vietnam with China, Thailand, Laos, Malaysia and Singapore.

b. On Aug.1, 1996, the UNDP agreed to supply US\$350,000 to a project to ensure sustainable development for the triangle for development in North Vietnam, including Hà Nội, Hải Phòng and Hạ Long.

On Aug. 22, 1996, Laos agreed to give top priority to the project to build the 250-km Route 9 as suggested by Vietnam. This project, financed by the ADB, aims at connecting Mukdahan in Thailand with Savanakheth in Laos and Quảng Trị and Đà Nẵng in Vietnam. A bridge over the Mekong would be built as part of this project. Another bridge would be financed by the Japanese government. Thailand is also persuading Japan to help with restoring

the road connecting Thailand and Vietnam via Laos.

c. In Central Vietnam, Dung Quất port and a 6.5-million-tonne oil refinery are under construction. In the future, two railway lines from Vinh (Vietnam) to Xieng Khouang (Laos) and from Thakhet (Laos) to Hà Tĩnh (Vietnam) will be also built.

d. In North Vietnam, the Chinese- Vietnamese cross-border railway was put in operation in Feb. 14, 1996. Investors are also invited to take part in the project to build a railway from Lào Cai to Cái Lân.

e. The Trans-Asian Highway connecting Bangkok with Vũng Tàu port via Phnom Penh and HCMC is under construction.

4. Solutions

To ensure good cooperation between partners and prepare for changes in the world market, the three following steps should be carefully taken:

a. Building a mechanism for the development of triangular zones:

- As for transnational triangular zones, partner countries should sign frame agreements that define cooperation principles, provinces included in the triangular zones, resources contributed by each partner, incentives and restrictions, and term of the agreement.

- As for domestic triangular zones, local governments should work out a cooperation program consistent with signed frame agreements, identify the center of the triangular zone and resources contributed by each partner.

b. Making plans for cooperation between partners:

Local governments, as contracting parties, should discuss measures to build the triangular zones based on the frame agreements and be responsible for carrying out these measures. The main ones are:

- Forming a commission responsible for making necessary policies and coordinating operation of partners in order to realize these policies (It's worth noting that local regulations should be made consistent with international practices in order to ensure mutual benefits).

- Appointing a local government as a representative responsible for dealing with matters agreed on by partners.

- Making production and distribution strategies based on up-to-date information about international and regional markets.

c. Building the machinery for realizing the plan:

Local governments should develop armies of competent experts and officials who could take part in the machinery that undertakes the following tasks:

- Improving the infrastructure,
- Forming duty-free areas to facilitate trading business,
- Supplying raw materials, labor and other services,
- Revising regularly policies to attract more investment.

In short, triangular zones can facilitate cooperation at large scale and create free trade zones within each subregion. From this aspect, we could see that although an EPZ or hi-tech park is situated in a province, it also needs support from surrounding provinces or countries in order to succeed in exploiting comparative advantages and promoting export. ■

