

# MEASURES TO BOOST EXPORT FOR NON-STATE BUSINESSES IN KIÊN GIANG

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Kiên Giang is a province in Vietnam's southeastern border region and the Mekong Delta. Although it is a plain province, it has forests, sea and islands, so it is endowed with abundant resources of agro-forestry-fishery products, mines and tourism. Therefore, many sectors in Kiên Giang may get involved in export, including two major ones of aquaculture and agriculture. Especially, the aquaculture has export potentiality with an immense fishing ground, 200-km coastline favorable for aquaculture, key shrimp-breeding areas in coastal districts and a great fish breeding area in U Minh.

In such favorable conditions, Kiên Giang is considered as one of provinces facing a lot of advantages in the Mekong Delta. Although its export sales rose in the past years, Kiên Giang's performance remains modest and incompatible with its potentiality in comparison with neighboring provinces like Cà Mau and Sóc Trăng.

## 1. Role of non-state export businesses

Until December 2003, the whole province had

2,189 businesses in different forms and industries, including state businesses 21; joint stock companies 25; limited companies 211; private businesses: 1,925; and FDI enterprises 7.

In spite of their great number, non-state businesses' engagement in export is still restricted: there are only 28 businesses, mainly in farming and accounting for 2.47% of the province's total export value.

The reasons are: Some potential industries have not yet been given proper attention and investment; their production scale thus remains small, their technology and competition edge much restricted; and most of them only focus on purchasing materials, partially processing for businesses outside the province. In addition, non-state business owners have not been trained in management and applied information technology and e-commerce in their management and deals. These deficiencies have sharply reduced the province's export value.

At present, major export earnings come from state businesses. They, however, almost operate at

full capacity; they also face a few opportunities to expand production and seek new export markets. At the same time, they are in the process of going public in accordance with the Government decisions; so the number of these businesses will be contracted in future.

As a result, the provincial government is required to give support and remove obstacles to non-state businesses in the long-term strategy. On the other hand, they themselves must improve their modest export numbers.

## 2. Measures to support non-state businesses'

First, the province shall establish a uniform and transparent administrative mechanism for businesses' export activities. It must offer investment incentives to businesses in the province's competitive industries as farming and handicraft.

Second, as for satellite businesses which cannot conduct direct export, the province should supply funds for their expansion and equipment innovation via the province's Development Assistance Fund (DAF). In fact, proper in-

vestment will bring out high profits; Kiên Hùng Aquaculture Company, Ltd. is an example. The company has only semi-processed products for a long time. It has renovated equipment and become a direct exporter after receiving financial supports from the DAF, earning US\$7 million in 2004.

Third, the province's related agencies shall provide information in foreign trade, services in brand promotion and help businesses, and supports in e-commerce.

Fourth, Kiên Giang has not built industrial parks, so local businesses have no favorable conditions including ground, factory, infrastructure, etc. Therefore, they are reluctant to expand production. The province should soon establish industrial parks and export processing zones near material producing regions.

Fifth, the provincial government should regularly make discussions with businesses to settle their troubles in export activities. ■

Table 1: The Mekong Delta provinces' export value from 1998 to 2003

Provinces	Export value (US\$ mil.)					
	1998	1999	2000	2001	2002	2003
Long An	149.44	166.50	150.05	160.82	159.47	256.00
Đồng Tháp	90.07	99.84	87.22	81.85	89.94	111.16
An Giang	120.06	139.98	107.55	118.78	147.33	182.32
Tiền Giang	121.90	131.82	92.54	69.59	60.45	90.58
Vĩnh Long	112.79	112.08	67.52	56.26	42.24	81.73
Bến Tre	32.54	28.57	32.51	40.00	52.08	55.20
Kiên Giang	40.42	76.49	68.38	107.71	109.45	131.76
Cần Thơ	256.68	260.32	238.28	236.81	284.36	362.95
Trà Vinh	33.42	39.54	24.67	25.77	34.83	37.60
Sóc Trăng	153.38	182.87	191.14	218.95	239.56	282.30
Bạc Liêu	81.67	79.80	79.69	73.45	96.00	95.99
Cà Mau	132.03	150.18	232.05	251.86	307.77	412.03

Source: Vietnam Chamber of Commerce and Industry – Cần Thơ Branch