



Industrial Park Expansion as Precondition for Tiền Giang's Socio - Economic Development

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Tiền Giang is a potential land in the Mekong Delta, lying along Tiền River with its East-West length of 120 km, bordering on the East Sea by a coastline of 32 km, and 70 km southward from HCMC. It has total area of 2,481.8 km² and a population of 1,720,936 in 2006. Tiền Giang remains an agricultural province with its farmers accounting for 67% of the province's labor force and 84% of the population living in rural areas.

In recent years, Tiền Giang

has focused its investment on infrastructure projects including roads, irrigation, electricity, schools, hospitals...and urban modernization for socio- economic development. The province's economy has been restructured positively, reducing the primary sector's share (agriculture - forestry - fishery) from 54.5% in 2001 to 48% in 2006, increasing the secondary sector's share (industry and construction) from 17.1% in 2001 to 22.5% in 2006, and the tertiary sector's share

(service) from 28.4% in 2001 to 29.5% in 2006. One of factors contributing to the successful structuring is the expansion of the province's IPs and industrial clusters.

The Mỹ Tho IP with an area of 79ha and the Trung An industrial cluster with an area of 20 ha have been built since 2001, and so far local and foreign investors have leased their full areas to construct works for their production and business. By the end of 2006, the Mỹ Tho IP had operational 14

projects including 4 foreign-invested ones; the Trung An industrial cluster had 7 operational ones including one foreign-invested project. These two areas have offered 7,267 jobs and paid US\$6,270,676 and VND13.48 billion in tax (equivalent to VND111.3 billion, accounting for 7.4% of the provincial revenue). Their total export value reached US\$97,562,318 in 2006 (or 42.4% of the province total export turnover).

In the following years, the province finds it essential to continue to expand its IPs and industrial clusters to restructure its economy more positively and soundly. The fundamental measures to do that are as follows:

1. Better planning: Each district need not have IP or industrial cluster unless it meets the following conditions:

- + Convenient transport (waterway or roads);
- + Low costs of compensation for site clearance;
- + Easy investment in IPs and industrial clusters upon construction.

2. Available infrastructures: Based on the approved plan, the authorities should build infrastructures to call for investment. The site clearance is the most difficult and complicated task, so it should be widely informed along with transparent policies and acceptable compensation in accordance with the market prices. The provincial government is required to give attractive incentives to infrastructure investors due to its limited budget for site leveling and clearance.

3. Investment in socio-economic infrastructure: Tiền Giang's eastern districts are typically faced with salt infection, so they are usually short of fresh

water. In addition, the main road from Mỹ Tho City to Gò Công Township and HCMC (National Highway 50) is seriously impaired. Hotels and restaurants remain small and do not satisfy the requirements of visitors and investors. As a result, the province has petitioned the Government soon to upgrade National Highway 50 to facilitate investment in this area.



Photo by Thiên Triều

4. Administrative reform: The investors' top concerns are not incentives in land rent, taxes...but administrative procedures. They hope the procedures of land lease, business and construction licensing will be simplified and finished as soon as possible so that they do not have to waste their time, costs and efforts. The local authorities should apply one-door mechanism to satisfy the investors' requirements for their doing business.

5. Training human resources for IPs and industrial clusters: The province's trained labor now make up about 23% of the total. However, Tiền Giang cannot provide enough qualified workers for investors. This shows the

province's vocational training has not yet been effective. Therefore, the local authorities should reorganize vocational schools in the trend of specialization with good teachers, facilities and equipment. In addition they need to specify the labor demand of IPs and industrial clusters for better training.

6. Meeting investors: The provincial leadership should

regularly meet investors every six months to remove obstacles to their business and establish the province's good and friendly images to investors. This will permeate among outside investors and attract them to come to Tiền Giang.

7. Information: In addition to the above measures, the province's website and mass media should provide the information about the licensing process, incentive policies, and IP plans.

These above measures are expected to help spur the development of Tiền Giang's IPs and industrial clusters and thus build sound preconditions for the province's economic restructuring