

**F**ourteen coastal provinces in Central Vietnam, from Thanh Hoá to Bình Thuận, all meet with poor infrastructure and bad climatic conditions. The people and authorities there, however, have tried their best in recent years to industrialize their economies and change the structure of industry by developing industrial estates (IEs).

One of five IEs in Central Vietnam licensed by the Government is the Đà Nẵng IE developed by the Mascorp Group and Đà Nẵng IE and EPZ Development Company with a total investment of US\$12.6 million. Up to now, the infrastructure and other public works within this IE have been completed and two Malaysian companies have built factories on a rented area of 11 hectares and employed some 700 workers (in 1998, they plan to employ some 1,500 workers more).

In the Hoà Khánh-Liên Chiểu IE, the infrastructure is being built. In the Hoà Khánh IE, many big projects have been registered. For example, the US\$110 million Nis-

vember. The Dung Quất IE with a starting investment of VNĐ17,000 billion, under the direction of the Government has been constructed. A four-lane highway connecting Dốc Sỏi to Dung Quất and an oil refinery there is under construction. Infrastructure works needed for this oil refinery will be started next December.

In Khánh Hoà, the first IE (at Suối Dầu) has been licensed and early 1998 will start its construction.

Besides these licensed IEs, many others have been prepared or been submitted to the PM for approval. Road networks leading to these IEs, such as Bắc Vinh (Nghệ An), Phú Bài (Thừa Thiên-Huế), Chu Lai, and Phan Thiết (Bình Thuận), have been built. These IEs are of the following categories:

- Developed on bare land, outside residential areas with no infrastructure.
- Developed from a cluster of factories.
- Developed outside towns with a

dertake the infrastructure building and the building of the IE must be coupled with the town planning and the master development plan adopted by provincial authorities.

The quality of an IE must be weighed against the infrastructure inside and outside it, machines and equipment employed in the IE and effects caused by the IE on local economy.

(4) There must be open policies applied to IEs in Central Vietnam, such as:

- + Supplying credit and government investment to projects to build infrastructure in IEs in Central Vietnam.
  - + Reducing rental of land in IEs: in IEs with poor infrastructure, the rental could be reduced to zero if need be.
  - + Giving tax incentives to companies investing in IEs.
  - + Allowing provincial authorities use land as an asset to invest in infrastructure building projects.
- (5) Because of a shortage of capital facing by both the Government

# INDUSTRIAL ESTATES IN CENTRAL VIETNAM AND PROBLEMS WITH THEM

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san Joint Venture has planned to build its factory by next December, and a foreign-invested project to produce toys has come into operation and employed 3,500 laborers (this workforce will be doubled next year). In the Liên Chiểu IE, there are six companies employing 11 hectares and other six joint ventures registering for 56 hectares.

In Quảng Nam, a part separated from the Quảng Nam-Đà Nẵng province, the Điện Nam-Điện Ngọc IE is under construction and has attracted many foreign investment projects.

In Quảng Ngãi, they started to build the Tịnh Phong IE last No-

view to attracting scattered factories and reducing pollution.

To develop IEs in Central Vietnam better, we think that the following measures must be taken:

- (1) We had better, at first, develop medium- and small-scale IEs in localities with good infrastructure, and then, enlarge them or build new IEs.
- (2) In existing IEs, it's necessary to attract potential investors by all means, and prevent the building of factories outside the IE, or in residential areas.
- (3) In building the IE, it's necessary to select good investors, and especially good builders who will un-

and state-run companies, the Government had better allowed non-state sectors and foreign investors to undertake the building of infrastructure in IEs.

(6) Provincial authorities in Central Vietnam had better give the red carpet treatment to investors by reforming administrative machinery and procedures.

In the effort to integrate into the regional and world economies, to find out ways to prevent our country from being isolated and falling farther behind other countries is a matter of great importance and urgency.