

In 1991, I had a chance to visit China, travelling by car from Hũu Nghi Gate through Nanning, Liuzhou, to Gullin. Most of townships along the highway had different levelled sites, convenient roads to these sites, electric networks and stations. They were areas exploited for development, and provided with infrastructure such as road, electricity, water and levelled ground to call for investors' construction of factories. Everyone attracted investors into their local

forms of development areas, local and central, to be realized at the same time, and obviously not all areas brought in profits. Taiwan concentrated its great efforts on export processing zones. In 1996 I visited Kaohsiung for the first time to attend the 30th anniversary of this EPZ, I was told the Service for Management of Taiwanese EPZs, under the Ministry of Economy, headed by a Vice Minister, has headquarter in Nantze and taking charge of the EPZ here, and two

Regarding Vietnam, our construction of EPZs and industrial parks have been booming. And certainly many forms of zones such as foreign trade warehouse, finance, high technique, free trade are waiting ahead. This is easy to explain since provinces, cities do not have capital to develop their lands with a view to attracting investors to come there to establish their factories and firms. Most of them entered into joint venture with foreign investors in building infrastructures

ABOUT TÂN THUẬN EPZ

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development areas, many Party chiefs, mayors tried to come to Hong Kong, Macao for marketing. Although they knew they might bear risks and suffer from losses but due to movement, "fever of competition", and fear of losing their positions, they rushed into exploiting their lands no matter what successes they could attain. Wait and see and finally they may retire!

In 1995 I fled to Shanghai, after 30 years of my graduation, I returned to this place. After five days of sightseeing the old Shanghai where the Ngoai Than area lies by the Huang Pho river which was formerly its symbol, but is now its "museum", I investigated Pudon. This is an area at Chang Jiang River mouth, having given way to the Ngoai Than area for many centuries, but currently 500 square kilometers of Pudon has been waken up by a mechanism, or exactly, an economic revolution, by the Government strong in planning, and realizing. The Government poured money in exploitation of Pudon, together with old Shanghai, turning the river mouth into dragon head making the whole Chang Jiang basin take off. In the new city, there are many forms of development areas: finance, trade, export processing, industry, foreign trade warehouse, high technique...for investors' selection. When we arrived in Pudon, 10 gigantic infrastructure projects had been just finished, the buildings there were many times higher than those which the Ngoai Than area had been proud of before. Pudon continued to carry out the next stage with more 10 great projects started.

While China permitted the two



branch offices in Kaohsiung and Taichung. The cause of Taiwan's strict control is everything from A to Z in EPZs is managed by State-run enterprises, joint venture forms are not permitted in the construction of infrastructure, and the function of State management and doing business is not separated in this economic model. When succeeding in Kaohsiung, the Government expanded to Nantze and Taichung, the whole three zones have just 192 hectares. In 1973, the Taiwan and former Saigon governments agreed on cooperation in the construction of Saigon Export Processing Zone, right at the location of current Tân Thuận EPZ, but because of war, the Taiwan party had revoked, leaving some marks until now. From then on, until the time they came back to Tân Thuận to build EPZ, Taiwan has not set up any EPZ overseas because it's not easy to find a location for real export processing.

and these investors will be burdened with calling for investment in their EPZs and enjoy profits together, even on the basis of 3/7, if failing, the localities still have their lands. Just because of this, it seems that Vietnam was about to become a gigantic IP and it only focussed on management. It can be said these facts are fevers, high temperature or epidemic. Suppose each EPZ or IP was a dam, lake, then how could we have enough water to flow into these areas? The studies on building a hydropower plant are based on basin, but here all EPZs and IPs have the same "basin". So there is no water for the plant and as a result no management. Not all investors coming to Vietnam targets at processing exports only. They prepared thousands of hectares for welcoming foreign investors. When facing with difficulties, they changed their aims into IPs but they cannot see what is their future, that is, we are lacking in initial planning. No one does not want to make an advice against doing that because they know the law of "clever, to win or stupid, to lose" in the market mechanism.

In final analysis, all foreign-invested or 100% local-owned enterprises building and trading in EPZs and IPs are sorted into the same kind: real estate business. The Vietnamese party contributes their land, the foreign party money. They together build infrastructure works and facilities on their land, then sell (properly speaking, lease) them to investors. For them, selling is producing profits, therefore they are not only real estate dealers, but also mainly have experience in EPZs and IPs. Just because of this factor, Tân Thuận EPZ was considered successful, became a member of WEPZA

and delivered an exemplary speech at its annual meeting held in Tianjin, China in October 1996. HCMC, with its strategic resolution, has moved over 500 households in the area, Taiwan, through CT & D Company, invested human, material and capital resources in the construction of the EPZ. A Saigon-Taiwan JV company was set up to build the project and find investors. So although the project has been not completed, but there are many foreign investors waiting for its operations. So if we see the day the first investor came to the Tân Thuận EPZ - Mar 18, 1996 - is a historical landmark, then until Dec 31, 1996 the number of investors amounted to 132, coming from Taiwan, Japan, South Korea, Hong Kong, Singapore, Malaysia, the U.S., Germany and Vietnam also. Both parties of the JV decided to invite EPZ experts to lead the company, Mr Huang Chih Chiung, current General Director is an example. He has worked in Taiwanese EPZs for 20 years. He is formerly the Head of Kaohsiung branch office of the Taiwan Service of EPZ management and the author of the software of EPZ operation. He masters Japanese and has been a diplomat of Taiwan in Tokyo for 8 years. He knows both how to build EPZ and to allure investors, so Japanese business people followed him to Tân Thuận EPZ. In the Tân Thuận EPZ, 60 factories with 14,000 workers have been put in operation and reached an import-export turnover of US\$250 million in 1996, moreover 16 projects are being built. Five years ago, Tân Thuận swamp has nothing but makeshift huts. It is not far from the central city, but its living facilities were very poor. But at present, its portrait is wholly changed by an EPZ covering 300 ha with its 22 km of roads.

On Nov 25, 1996, Mr Salvador Sánchez Cerén, General Secretary of the FMLN, El Salvador visited Tân Thuận EPZ and said his country had 11 EPZs, sometimes the President of El Salvador wished to turn the country into a gigantic EPZ, but they have no great, beautiful and effective EPZ like Tân Thuận and asked why Tân Thuận succeeded. General Director Huang answered there were many causes, but firstly a management board formed by the Vietnamese Government right at Tân Thuận. Finally analyzing, management is also a service, don't make troubles to investors, they will go away and that

management will be useless. Management should convince its objects. Its language is law, but it should be flexible and suitable for the circumstance and the fairness must be respected. An EPZ management board has to meet other requirements, since in our country, this model has never taken shape before. We should both do and study and cooperate with the joint venture company to build EPZ and attract investors. We can only manage if there is somebody coming to us. The Management Board of HCMC EPZs is worth its reputation. Just on the first days, they have persuaded over 500 households in Tân Thuận Village to move to the new residential area for the EPZ construction. If viewing the Tân Thuận EPZ's panorama from the 42-m high tower of WFC factory, we will see the move of residents of Tân Thuận is also a great effort and a main factor resulting in Tân Thuận achievements today. The Management Board has really learned foreign EPZ models and through operating its EPZ, drawn its own experience, not imitating Taiwan or China. This is also a creative work in the construction of Tân Thuận EPZ. In my opinion, the Management knows how to make success, that is, "management for investment, investment under management", no contradiction between aims and means. If management is poor, investors will not come to Tân Thuận, or come and go away. But the Management Board has tried its best to attract investors together with the JV company. Only for three years of pilot production and seeing good progress, 12 investors applied for setting up their second establishments, leasing more land for bigger plants in Tân Thuận EPZ. Hoàng Việt is an example, its two enterprises operates continuously three shifts a day. On this trend, Mr Huang Chih Chiung happily said: "Investment has meanings, expansion, reinvestment have more meanings, obviously Tân Thuận is a good land". On Nov 25, 1996, the owner of Tempearl - the parent company of Vietnam Tempearl in Tân Thuận - fled from Tokyo, handed Mr Huang a Japanese newspaper which said the new Vietnam's Foreign Investment Law recently adopted by the National Assembly would make the investment environment worse and stricter, not nice as before. Mr Huang phoned Mr Lữ Minh Châu and both of them answered the investor that was wrong, the invest-

ment environment in Vietnam, Tân Thuận is as before and must be better. The Tempearl owner trusted and decided on establishing the second plant in Tân Thuận...

From these reasons mentioned above, I see an EPZ Management Board like that of Tân Thuận is scarce and worry when hearing the Vietnam government will set up the General Management Board in charge of all 29 IPs and EPZs across the country with its headquarter in Hà Nội. The Management Board is too far to manage well daily activities in EPZs and IPs, and wastes money and energy when flying to and fro. Thousands of hectares must be its local owner. The investor feels happy before one-door policy (that door is right at the site of project), but now suddenly, every door will be in Hà Nội...and is it easy to go through these doors? So the occupation of mobilizing investment faces with many difficulties and changes.

Returning to Shanghai, 70% of its profit earned from real estate business, development for investment, various zones of: industry, export processing, finance, commerce, foreign trade warehouse, technique, is paid to the Government, for what? For upgrading the whole Shanghai's infrastructure, thereby foreign investors are able to come these zones, if not Shanghai is only an islet, that is "investment for investment". HCMC did not carry out this yet, but if there is not Saigon as present, then there is not Tân Thuận's success for the past five years and in the coming years. Unlike Shanghai, but Tân Thuận is "owing" HCMC for the Nguyễn Tất Thành highway (the station for transportation fee is set up at the EPZ gate), specialized water pipe bringing 35,000 cubic meters from Thủ Đức Plant, across Saigon River, to plants in the EPZ, an easy and stable living environment, abundant labor source and especially the city's care and protection because "Tân Thuận is the city's daughter"...Over 20 years ago, foreigners discerningly selected Tân Thuận peninsula with its best natural characteristics having the shape like a bag of money to cooperate and build the export processing zone, and furthermore, it is situated in the vital industrial and commercial area of Vietnam and the region. This reason pushed them to eagerly come back and they have gone smoothly for five years in the process of building the Tân Thuận EPZ.