

THE DIRECTION OF DEVELOPMENT OF MANUFACTURING AND HANDICRAFT INDUSTRY IN THỪA THIÊN - HUẾ RURAL AREAS

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Since the development of new mechanism, especially after the Resolution 10 of the VCP, various manufacturing and handicraft businesses in Thừa Thiên - Huế rural areas have developed both in their size and organization. Many businesses, adapting themselves to the market mechanism, have innovated their equipment and technologies, produced new lines of products and supplied more jobs to local laborers.

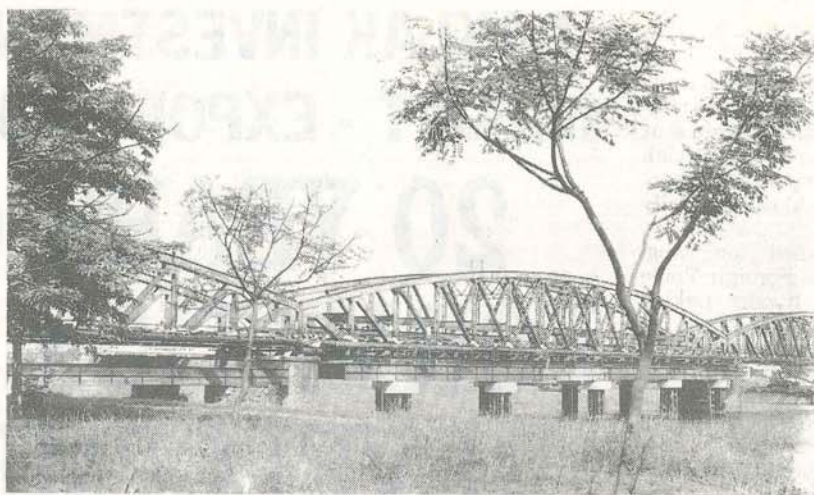
A survey of Thừa Thiên - Huế Service of Industry and Handicraft carried out at the end of 1994 showed that of 5,000 concerns operating in manufacturing and handicraft industry in rural areas, 94.55% was private families, 2.5% was private businesses and 3% was co-operatives. These concerns employed around 15,000 laborers (or 6% of rural laborers in the province).

The sales of goods produced by this industry in 1994 amounted to nearly VNĐ65,800 million, that is, increased by 12% compared with 1993, equalled 64.7% of total industrial output of non-state sector, or 18% of total local industrial output. The total value of goods produced by this industry was VNĐ30,362 million, equalled 63% of value of total industrial output of non-state sector or 18.4% of value of total local output, 88.4% of this value belonged to family businesses.

The product quality was improved, many local products were sold to surrounding provinces (tile, conical hat, wooden works of art) or to foreign markets (woolen tapestry, embroidered kimono, wooden works of art, etc.). Laborers working in this industry earned an income of stabler and higher rate in comparison with agricultural laborers, from 9% to 11% of them gained from VNĐ300,000 to 600,000 every month.

The development of manufacturing and handicraft industry in Thừa Thiên - Huế rural areas, however, has been unplanned. There is no large-scale enterprises, especially in agricultural - maricultural-forestry product processing industry which is one of the easiest industries to develop in the province.

Many traditional businesses have recovered but the labor efficiency, product quality and designs weren't improved therefore they couldn't find a foothold in the market yet. Moreover, there is no plan to develop and control this industry at provincial level; new markets, information and direction of development are urgent problems which should be solved as soon as possible.



In order to make the best use of all potentialities of the province, alter the provincial economic structure, industrialize the production, and make a twofold or threefold increase in gross product of the province by the year 2000 in comparison with 1993, and an increase of some 30% in the manufacturing and handicraft output, the provincial authorities should make plan to develop the following businesses:

1. Food and agricultural product processing: this is the most important direction of development of the province, because the source of raw materials for this business is abundant. The province produces some 30,000 tonnes of sweet potato, 20,000 tonnes of manioc, 2,000 tonnes of peanut, 400 tonnes of maize. Many lands can be planted with sugar cane, banana and other fruit trees. In the coming years, when the economy develops, demand for various kinds of agricultural products and food of high quality will increase, so the development of this business will be a must.

Moreover, this business is appropriate to the capacity of families and co-operatives. It could help with supplying new jobs and increasing income of the farmer. In the coming years, provincial authorities had better pay attention to facilitating private investment in this business in order to improve labor efficiency, output and product quality with a view to meeting demand of both local and foreign markets.

2. Mariculture and maricultural product processing: In recent years, the mariculture (raising lobster, crab, alga, etc.) has developed on the beach of Tam Giang lagoon with 1,000ha of lobster raising and 500ha of alga. In addition, Thừa Thiên - Huế coastal waters can supply squid, ray fish, etc. in large quantity, therefore in the

coming years, provincial authorities had better encourage family businesses to produce fishing nets, mixed food for crab and lobster, ice, and supply repair service.

Furthermore, the lands and waters should be zoned for raising particular animals or plants with a view to mass-producing raw materials for agro-industry and export.

3. Mining and building materials industries: there are many mineral resources in Thừa Thiên - Huế such as titanium, kaolin, clay, limestone, granite, peat, sand etc. Products made from them are marketable at present. If these industries are developed, many new jobs will be created and new income for provincial budget will be gained. So local authorities had better help businesspersons develop existing concerns and establish new ones to produce stone works of art, brick, marble, flagstone, tile for interior decoration, etc. in order to supply more products of high quality and original design to the market.

4. Handicrafts: some traditional handicrafts in Thừa Thiên - Huế are: making wooden works of art, making conical hat, embroidery, garment, etc.

- Many works of art such as wood carving, mother-of-pearl inlay, sculpture...are traditional crafts of many villages in Mỹ Xuyên, Đạ Linh, Dương Nỗ, Bao Vinh. These crafts need appropriate investments, craftsman training schools, and marketing boards so as they can survive and develop.

- Embroidery is a business that can employ many female laborers in rural areas. Local authorities had better organize embroidery co-operatives, looking for new markets and orders, give training courses and distribute their products in order to supply new jobs in rural areas.

- As for conical hat business,

small family businesses can be developed into co-operatives or guilds in order to mass-produce hat of high quality and original design supplying to local and foreign markets, because this is one of famous staples of Huế.

- The garment industry in Thừa Thiên - Huế also needs appropriate investments, new equipment and machines, training schools in order to produce fashionable clothes marketable in both local and foreign markets.

5. Newly-formed occupations: Recently, besides many services (such as hairdressing, photo, renting out wedding dress...) supplied in rural areas, some newly-formed occupations have made their appearance in the process of electrification of rural areas and improvement of infrastructure. They are electrical and electronic appliance repair, watch repair, battery recharging, machine repair, welding, metalwork, etc. In the coming years, local authorities had better establish training schools in rural towns operating as branches of the provincial vocational training center, encourage the farmer to enter service or handicraft industries by offering tax holiday, technical assistance, soft loans, etc. Moreover, a part of foreign aid could be used to develop the rural economy ■

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