

best use of local raw materials and help them get access to business information.

+ Developing human resource for SMEs: In most SMEs, laborers lack formal training and education and to deal with this problem requires large investments and a lot of time. Local authorities, therefore, had better take measures to support private vocational training and technical schools, and encourage big companies to cooperate with SMEs in training their laborers. At present, besides existing public technical schools and colleges, the provincial government built the Sonadezi Technical Collages under the Biên Hoà Industrial Park Development Company in 2004 with a view to training an army of skilled managers and introducing technical advances to local companies.

+ Accelerating the administrative reform: Procedures should be simplified and regulations transparent. Duties and rights of both authorities and businesspersons must be made clear with a view to preventing malpractices. One-stop service must be applied to business registration. Companies Law 2005 and Investment Law should be enforced as soon as possible.

+ Enhancing the role of trade associations: They could act as middle person between authorities and the business circles in a concerted effort to remove obstacles to companies thereby facilitating the economic development.

+ Post-registration control: This task aims at helping managers run their businesses effectively and profitably in preparation for foreign competition ■

Direction of Cần Thơ Industrial Development up to 2020

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Cần Thơ is at the center of the Mekong Delta, covers a length of 55km on the western bank of the Hậu River and an area of 1,389.6 square kilometers equaling 3.49% of the area of the Delta.

Cần Thơ is a hub for various roads and waterways to HCMC and Eastern South, Cambodia, and the East Sea. So it enjoys favorable conditions for becoming an industrial, trading, educational and research, and cultural center of the whole Delta. And it is what the Cần Thơ Government is aiming at. In this plan, the industrial production plays an important role in providing a technical basis for the industrialization and modernization of local economy.

1. Objectives for the industrial sector up to 2020

R e s o l u t i o n 31/2005/NQ-HĐND on the socio-economic development approved by the Cần Thơ People's Committee on July 14, 2005 sets the following targets for the industrial sector:

- Value of industrial output (1994 price) is VND18,300 billion by 2010; 45,000 billion by 2015 and 99,000 billion by 2020.

- Industrial growth rate is 20.5% in 2006-2010; 20.6% in 2011-2015 and 19.3% in 2016-2020.

- Share of the industrial sector to the provincial GDP is 45.13% by

2010; 51.35% by 2015 and 53.79% by 2020.

- Growth rate of earnings from export of manufacture goods is 20.22% in 2006-2010; 21.8% in 2011-2015; and 21.3% in 2016-2020.

By 2020, Cần Thơ will be an industrialized city and an industrial center of the Mekong Delta.

There are two scenarios of the Cần Thơ industrial development:

(1) Scenario 1: Fast development based capital, technological and labor resources.

In this scenario, the value of industrial output (1994 price) will rise from VND7,536 billion in 2005 to 17,288 billion by 2010 gaining an annual growth rate of 18.3%. In this sector, engineering accounts for 25.9%; chemicals 19%; food processing 11.9%; plastics 7.4%; and electric and electronic industries 6.5%. The added value will increase from VND2,544 billion in 2005 to 5,857 billion by 2010 (rising by 18.1% a year) and 13,463 billion by 2015 (rising by 18.9% a year). Total area of industrial parks and estates by 2020 will be 2,052 hectares housing 12,845 concerns and a labor force of 107,733 workers. Total investment in this sector in 2006-2020 will amount to VND32,375 billion.

(2) Scenario 2: Accelerated development partly based on investment from the central government and foreign

companies.

In this scenario, the value of industrial output (1994 price) will rise from VND7,536 billion in 2005 to 18,938 billion by 2010 gaining an annual growth rate of 18.9%; 45,248 billion by 2015 (growing by 19% a year) and 107,828 billion by 2020 (19% a year). In this sector, engineering accounts for 25.8%; chemicals 17.8%; food processing 12.2%; plastics 3%; clothing 2.4%; energy 5.2% and others 16%. The added value will increase from VND2,544 billion in 2005 to 7,064 billion by 2010 (rising by 20.3% a year) and 17,085 billion by 2015 (19.3% a year); and 41,169 billion by 2020 (by 19.2% a year). Total area of industrial parks and estates by 2020 will be 2,700 hectares housing 13,863 concerns and a labor force of 116,971 workers. Total investment in this sector in 2006-2020 will amount to VND41,518 billion.

After considering possibly mobilized capital, the industrial authorities decided on the scenario 2 with a view to making the best use of internal resources and preventing risks caused by external factors.

2. Some directions

Three industries that will play leading roles in the Cần Thơ industrialization up to 2020 are engineering and production of capital goods; chemicals and food processing. Staple products from Cần Thơ in this period are: machines of various kinds; electric and electronic appliances; iron and steel; cement, MDF wood; plastic household and industrial goods; clothing; footwear; chemical and pharmaceutical products; processed food and drink; and frozen aquatic products.

Besides the Trà Nóc I Industrial Park that is operating well,

there are plans to develop the following industrial parks and estates:

- Enlarging the Trà Nóc 2 IP from 255 to 355 hectares

- Perfecting Hưng Phú 1 and Hưng Phú 2 IPs on areas of 616 and 816 hectares respectively

- Building a high-tech IP on an area of 700-850 hectares in Ô Môn District

- Building an industrial estate linked with a wholesale market for farm products in Thốt Nốt District on areas of 81 and 249 hectares respectively

- Developing industrial estates in Vĩnh Thạnh District (30-35 hectares), Cờ Đỏ District (30 hectares) and Cái Răng District (30-35 hectares)

These IPs will be located along the Hậu River and act as the dynamic of industrial development and changes in the structure of industry. Priorities will be given to machinery replacement and modernization in order to develop capital- and technology-intensive industries and produce high-tech goods with high local content, competitiveness and added value.

Incentives will be given to foreign investment projects in precision engineering, chemicals, pharmaceuticals, farm products processing and export, and production of machines of various kinds.

3. Some measures to implement the plan

- Offering favorable conditions and priority to companies making staple products of Cần Thơ.

- Mobilizing capital from all sectors to build infrastructure and clear land for IPs.

- Helping local companies to modernize their production lines with a view to improving competi-

tiveness of their products.

- Fostering partnership and cooperation between Cần Thơ companies and foreign or local counterparts, especially ones from HCMC, and cooperating with provinces in the Mekong Delta in projects to store and process farm products for export.

- Training technicians and skilled workers to apply scientific advances, absorb new technologies; adjust them to local conditions and invent new ones.

- Encouraging Cần Thơ-based companies to ask for researching services from universities and institutions, especially ones from Hà Nội and HCMC, and providing them with business information.

- Taking strong measures to support the industrial development, such as forming a commission of investment responsible for estimating investment projects and granting licenses; forming an investment support fund and an SME development fund; forming a center for trade and investment promotion with close relations with its counterparts in Hà Nội and HCMC, and with all ministries; helping Cần Thơ companies take part in trade fairs and exhibitions at home and abroad; and holding annual industrial goods fair in Cần Thơ in the coming years.

After Vietnam becomes a WTO member, Cần Thơ industrial sector faces many challenges and opportunities. By making the best use of its advantages and potentials (geographical location, abundant supplies of farm products, cheap labor, good cooperation with Mekong provinces), the Cần Thơ industrial sector can carry out successfully the plan to make Cần Thơ an industrialized city before 2020 ■