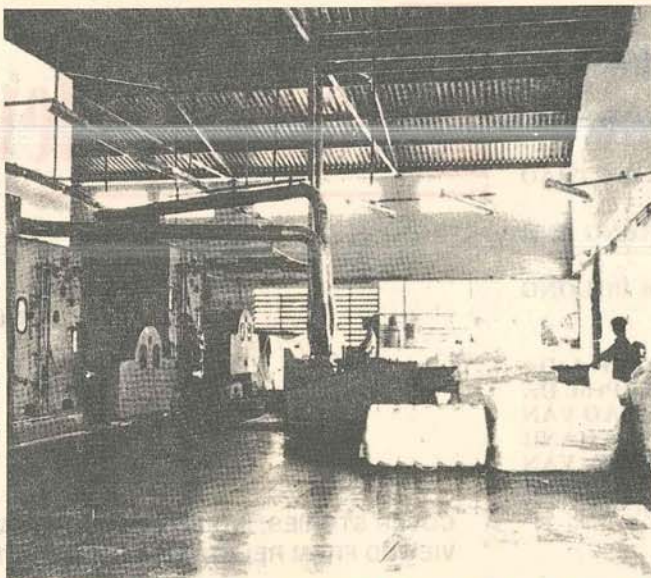


Hồ Chí Minh City is in the Southern Plain. It is bordered to the west by the Mekong Delta rich in rice and other agricultural and maricultural products; to the north-east by provinces rich in forest products, minerals and perennials; and to the east by provinces rich in oil which is explored and exploited by many multinational oil giants. The City has an area of over 2,000 sq.km. with a population of over five million people and a working population of three millions.

In the process of economic renovation, HCMC economy made good progress this year:



Phước Power Plant, etc. Some giants are studying and proposing many other infrastructure projects to build the system of public service vehicle, a bridge over Saigon river, the water supply, a waste treatment plant, etc. In addition, projects to invest in manufacturing industry (car assembly, textile, leather, garment, electrical appliance, electronic, agricultural products processing and many other consumer goods) also represented a large percentage of the total number of projects producing good results. There were also projects to build office block, houses and hotels of international standards supply-

INVESTMENT OPPORTUNITIES IN HỒ CHÍ MINH CITY

- The gross output reached US\$4.5 billion increasing by 14.9% compared with 1995.

- Total sales amounted to US\$10 billion, increasing by 22.9%

- Industrial output was worth US\$1.6 billion making an increase of 17.1%.

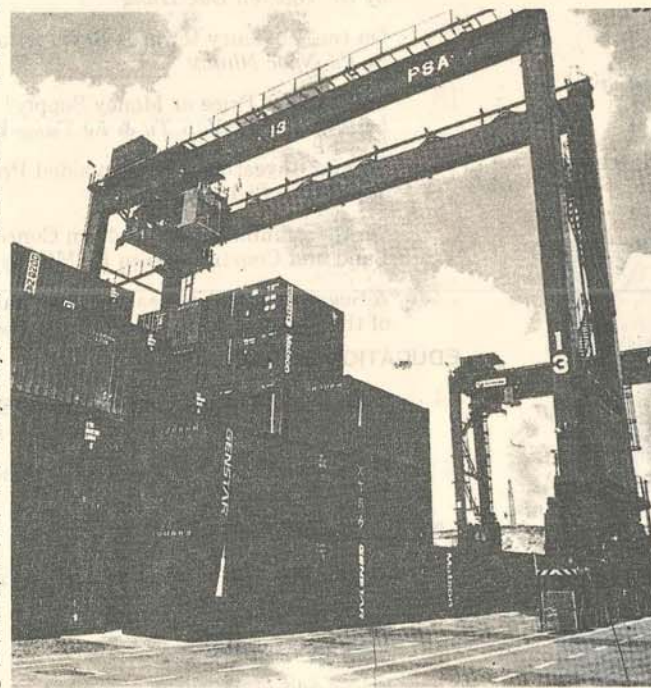
- Export turnover increased by 43% and brought in US\$3.7 billion.

- Importation was worth US\$3.6 billion and increased by 29.3%

Regarding foreign investment, up to November 1996, licences have been granted to 603 projects with total investment of US\$ 7.6 million. Generally, HCMC still holds one of leading positions in attracting foreign investment. Recently, many important infrastructure projects have been approved such as: building Tân Thuận and Linh Trung EPZs, North Nhà Bè-South Bình Chánh Highway and South Saigon town, Bình An water supplier, Hiệp

by **LÊ THANH HẢI**

Standing Vice-Chairman of HCMC People's Committee



ing to foreign individuals and organizations working in Vietnam. It's worth noting that until recently, many giants have carried out big projects in HCMC. This fact shows that HCMC, and Vietnam as a whole, is becoming increasingly attractive in the eyes of foreign investors.

To accelerate the socio-economic development in HCMC, from now until 2000, we offer opportunities for foreign investment in the following fields:

1. Hồ Chí Minh City is one of big cities in Vietnam and in the region as well, its hundred-year-old infrastructure has become too obsolete to facilitate the economic development. So HCMC authorities give top priority to the development of infrastructure: road network, water and power supply, airports, seaports and riverports, postal services and telecommunications. Proper attention will be also paid to projects to extend the city north-east-

wards and south-easwards. There are plans to urbanize An Khánh-An Phú, South Saigon and Thủ Thiêm and other suburbs in order to reduce population density in the inner city, that is why we want to call for foreign investment in infrastructure building and urbanization projects. HCMC government will try its best to create favorable conditions for foreign investors who interest in these plans. Particularly, incentive schemes will be adopted to encourage BOT projects.

2. Hồ Chí Minh City is one of industrial centers of the country. It produces 29% of GDP and 80% of the gross output of the South, however, most equipment and machines in use in HCMC were obsolete. Since 1986, with the *đổi mới* policy, all economic sectors have developed well, besides the public sector, the private, personal and corporate sectors have seen a lot of progress. However, to meet the demand of both foreign and domestic markets, the HCMC manufacturing industry must be modernized. Our plan is to replace from 20% to 40% of machines and equipment every year. So the HCMC government interests very much in investment in manufacturing sector, especially in engineering, ship building, chemicals, fertilizer, rubber, building materials, electric and electronic, textile, garment... Projects with new technology to transfer will be certainly more desirable.

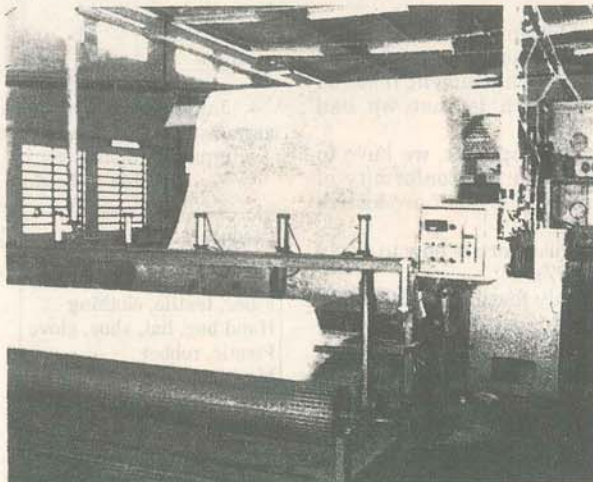
3. For a long time HCMC has been a trading center of the South with close relations with many other centers at home and abroad. With reliable supplies of raw materials of all kinds, HCMC pays full attention to projects to process agricultural products for export, and produce high-quality exports and import substitutions.

4. Besides developing international cooperation, HCMC government also in-

terests in the building of EPZs and industrial parks. In HCMC there are two EPZs at Tân Thuận (Nhà Bè) and Linh Trung (Thủ Đức) which are making good progress. In Tân Thuận EPZ, 94 foreign companies have set up their factories, 55 of them have started to export their products. HCMC government welcomes all foreign investment in other EPZs and industrial parks such as Cát Lái (Thu Đức), Hiệp Phước (Nhà Bè)... which will come into being soon.

estate with relative large size. The plan is to develop such industries as electric, electronic, engineering, textile, garment ones along with a service sector there.

Based on the said development plan for the period from now to 2000, the HCMC government is in need of big investments in building infrastructure, developing manufacturing sector, struggling against pollution and other plans for the public interests, so we welcome and are ready to cooperate with investors



Particularly, Tân Tạo will become the first industrial park of Bình Chánh district which is 12km from the inner city. This industrial park is on the borderline between the inner city and HCMC suburbs and on the way connecting HCMC with provinces in the Mekong Delta. It will be a multi-industry

who interest in business opportunities on the mutual benefit basis.

To encourage foreign investment, Vietnam Government has incessantly tried its best to improve and perfect the law system with a view to creating better conditions for foreign investors. Besides these efforts, HCMC authorities

are ready to help investors study domestic market and give preferential treatment to projects in infrastructure, manufacturing sector and supply services. Foreign investors can find in HCMC not only business opportunities, but also the trustworthy cooperation based on the mutual beneficial relationship.

In order to provide foreign investors with better conditions, HCMC government is keeping on reforming procedures for investing in HCMC in order to help investment projects come into operation as soon as possible. Measures we are trying to take are:

- Identifying demands for capital in each industry and sector in HCMC: Based on the development plan for the period 2000-2010, demands for investment of each industry and sector in HCMC will be identified, the list of projects calling for investment will be made. All of this will provide foreign investors with useful information needed for their decision making process before two parties can enter negotiation.

- Reforming procedures for making investment: in order to rationalize the process of evaluating and approving investment projects in HCMC, the HCMC Service of Planning and Investment will supply package services including providing information about the list of projects calling for investment and completing all procedures before and after licences are granted. The HCMC government is trying to study and develop a rational and realistic process in order to make the environment for investment more effective and healthier. With the promulgation of amended Foreign Investment Law, we can hope that foreign investment in HCMC will make better progress in the coming years■

(Speech made at the Forinvest Forum 96 in Hà Nội in December 1996)