

labor and population census at Nhâm Đức village, Nhà Bè district, of 3,305 laborers surveyed, 1,757 had primary education degree (around 50%), and 230 are illiterates (nearly 7%). This is a common situation in other villages and districts. Therefore, having no skill, they had to do simple, hard and low-wage works. As for laborers who stay on at their home district, they can't also find a job in local factories because of their level of education. These factories had to recruit workers from other districts.

Realizing this situation, local authorities have made plans to train the young generation in foreign languages, informatics or manual skills, but because of a low level of general education, these suburban laborers can only achieve small results in their learning.

**Fourthly**, in recent land fever, many farmers have sold part of their farming land with a view to raising their living standard. Becoming rich suddenly, they pursued luxurious lives and threw their money about instead of having their children educated and trained fully in order to help them find a job in factories, export processing zones or tourist resorts which will be built in their home districts in urbanization process.

**Fifthly**, social evils are spreading fast in suburban districts. Many young people fell into bad habits of big city living way.

In order to solve these problems and orient the suburban laborers towards better development, I would like to suggest the following:

1. The best way is to supply jobs at their home districts. This could be done by taking many measures to encourage agriculture, supply low interest loans, stabilize prices of farming materials, support farm product price...

2. Developing non-agricultural occupations in order to help suburban laborers get jobs and improve their income: The government should try hard to change the structure of industry in suburbs. The relative importance of each of three basic sectors in 2005 could be as follows: The primary sector (farming, forestry, fishing) occupies 30-35% of gross product, the secondary sector (manufacturing, handicraft) 40-45%, and the service sector 20-25%. The local authorities should pay attention to principal problems such as capital, skill and technique, and market. They should have plans to create jobs at their home localities.

3. Educating and training systematically the suburban laborers in various skills in order to help them

adapt themselves to the changing economy. This task could be done by the local authorities and businesses operating in suburbs. The following are some suggested measures:

- People's Committee in every village carries out census on laborers and their level of education in order to make plan to train and employ them.

- The matter of great urgency now is to improve the primary education in suburbs. In this task, a lot of problems should be solved: quantity and quality of teachers (and their salaries), school building, limiting the number of dropping-out pupils. In schools, the pupils should be trained in foreign languages and oriented towards new occupations which will be developed in their home districts.

- Opening night classes for those who are going to the service sector, especially in urbanizing districts such as Thủ Đức, Nhà Bè, Bình Chánh, Hóc Môn...

- The local authorities could recommend good laborers to the businesses operating in the districts. The businesses could give priority to local laborers when recruitment takes place. They could keep the local authorities informed about what kind of skilled worker they will need in future in order to help the local authorities make plan for it.

- The local authorities could keep back a percentage of tax take to invest in education and training of their home districts.

4. Improving the intellectual standard of the suburban people by various activities: opening village library and theatre, making films on new agricultural technique, cultural living..., developing forms of distant-learning, forming fund of culture in each district to finance cultural and information activities, exempting taxes on businesses of culture and arts... In short, improving the intellectual standard of the people is an urgent matter because low educational level is a big obstacle to the process of industrialization and modernization in rural areas.

5. The local authorities should combine with the police and other social organizations to struggle against the social evils which tend to spread in HCMC suburbs.

These above-mentioned problems, in my opinion, should be solved as quickly as possible. They need many active and strong measures. Not solving them timely, the process of industrialization in our country, or in HCMC to be precise, couldn't make desirable progress.

**T**he strategic and outstanding feature of Hữu Nghị Garment Company is products of high quality for export made in Vietnam. Established since 1990 in newly-formed market economy and in the fastest developing region of the world, the products "made in Vietnam" of Hugamex, especially its jacket, have won customers' trust and support. Along with other businesses, Hugamex has sold its products all over the world and helped Vietnam become the ninth biggest supplier of garment in Japan market (behind China, South Korea, the USA and other giants).

In order to satisfy foreign customers' demand for fashionable and high-quality garments in an era of information and economic integration, Baron, a California-based publisher, has answered the question "Who is the maker of these garments?" by publishing *Who's who of the Asian-Pacific Rim*, edition of 1995. The answer given in this book is: It's Hugamex and its director, Cao Sơn Ngọc, address: 638 Nguyễn Duy, district 8, HCMC.

With his picture and biography printed in this book, Mr. Ngọc is considered as a famous Asian businessman in 1995-1996. Naturally, there are many successful businesspersons in garment industry, or in Vietnam in general, but few of them can make their products well-known. Besides Mr. Ngọc, Nguyễn Xuân Lập, director of Saphaco, HCMC, is also introduced to readers in this book.

The quality of Hugamex's products has been appreciated by both local and foreign customers. In our time, garment products should be durable, attractive and fashionable. This means that the producer should supply products to customers on time. Therefore, the producer has to fulfil all requirements of design, quality, quantity, day of delivery and other terms of a contract. Hugamex has done it well. Even Japan, a very strict customer, has accepted the label "Made in Vietnam" on Hugamex's products. Because of trustworthiness of Hugamex, the customers needn't send specialists to Vietnam in order to make sure their orders are filled properly. Moreover, the wage they should pay to Hugamex is usually higher than other companies by 25 or 30 per cent.

How can Hugamex do its business so well? Can other companies follow it? These are what the delegation from Economic Division of VCP committee in HCMC wanted to know when it paid a visit to Hugamex on Nov 17, 1994.

It's only a brief visit, but we saw that the causes of Hugamex success could be as follows:

*Cao Son Ngoc*  
is a subject of biographical record in

*Who's Who of the Asian Pacific Rim  
1995-1996 International Edition*

*in which inclusion is limited to those individuals who have demonstrated outstanding achievement, superior leadership and exceptional service within the arena of Asian-American prosperity*

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wage for worker is over VND 800,000 on average.

Although Hugamex is of medium size, this average wage is twice the average salaries of workers in other garment factories. Labor intensity here is of 125% compared with other companies, but the workers are content because it's better than working overtime. Hugamex is striving for removing the night shift.

Because of lack of capital, the company has to weigh carefully the quality and the price of machinery before buying it. In fact, the company has bought many machines at a price much cheaper than the same machine made in another country. Besides, the company was allowed by the governing bodies (Ministry of Finance, Ministry of Industry...) to amortize at high rate in order to pay debt on time, ensure reasonable salary for worker and competitive price for its products, and accumulate enough capital for reinvestment. The production organization of the company is improved regularly. In the past five years, the company has reorganized its production line three times. It's ready to change temporary losses for long term profit and efficiency.

The company has paid a lot of attention to improvement of working conditions, industrial relations and solidarity among workers.

Besides that, one of the most important achievements of Hugamex is the training of young managers. The company directorate thinks that, along with improvement of workers' skill, these young managers, by checking and supervising the most important sections of the production line, will ensure at least 30% of product quality and productivity. The Communist Youth League has played an active role here in making Hugamex a success story. Over 80% of League members are outstanding workers and receive high salaries.

Income distribution is done publicly, but at work, a strict discipline is imposed on the workers. They have to do according to the approved plans.

These factors have helped Hugamex produce high-quality products for export and win the trust of foreign customers. This led to many business contracts with a big Japanese company. Naturally, when its capital is limited, Hugamex should be content with making products for foreign companies. Until it has got enough capital, experience, technology and market of its own, Hugamex should produce and export its products independently and it can make bigger profits, but then it should be prepared to face risks, because nothing venture, nothing gain ♣

# HUGAMEX A RELIABLE COMPANY

by TRẦN TỬ TRUNG

& NGUYỄN THẾ TRUYỀN



Cao Son Ngoc, HUGAMEX General Director

- It's director, Cao Sơn Ngọc, has worked in garment business since he was 13. Now he's a man of experience and ambition. In the newly-formed market economy in Vietnam, he has tried his best to study and apply ways of doing business of both local and foreign businesspersons to his company. And he has known how to make the best use of his knowledge and tangible assets of Hugamex.

He has chosen the strategy of producing high-quality products for export, renovating the equipment, rationalizing the production line with over 1,000 workers and replacing 60% of company's equipment. The total sales of Hugamex in the second half of 1994 was US\$ 1.8 million. The monthly