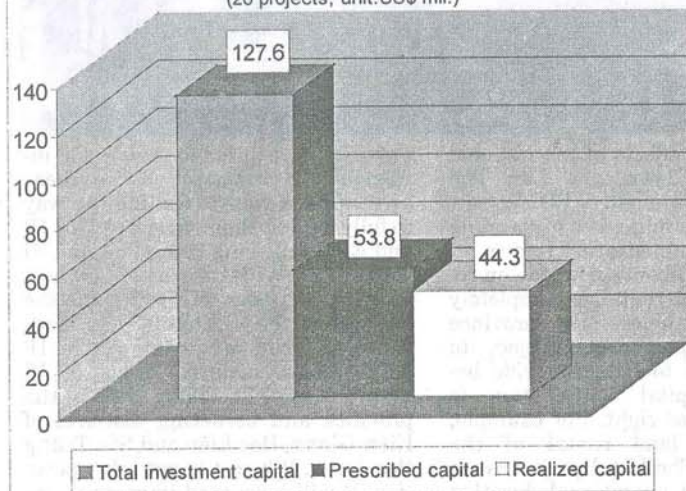


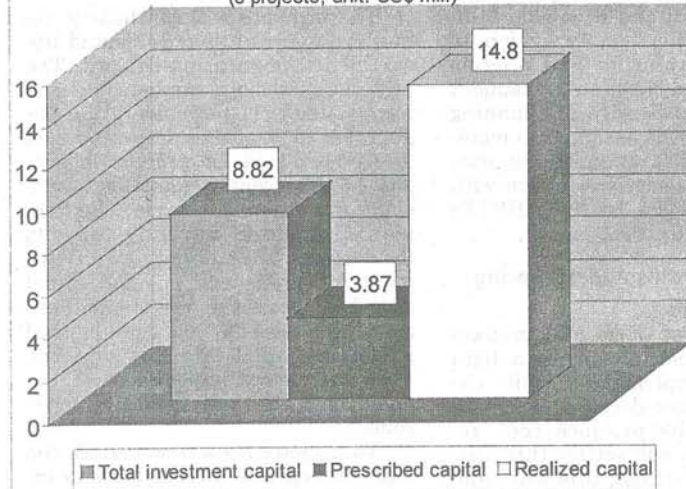
FOREIGN INVESTMENT IN CẦN THƠ PROVINCE BY 2000

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Foreign Investment by Dec. 31, 1999
(26 projects, unit: US\$ mil.)



Foreign Investment in 1999
(3 projects, unit: US\$ mil.)



Review

Due to the country's slowdown in foreign direct investment (FDI) attraction, in October and December 1999, the Cần Thơ Province licensed

above result is a great effort of the province, especially in the situation that Vietnam's FDI dropped to the lowest in the past 5 years.

three FDI projects with total registered capital of US\$8,820,000 including prescribed capital of US\$3,870,000. The province has so far licensed 26 FDI projects including 22 enterprises, 1 business cooperation contract and 3 branches capitalized at US\$127.6 million, prescribed capital of US\$53.8 million and realized capital of US\$44.3 million. In 1999 the realized capital was US\$14.8 million.

The

From the provincial government's efforts...

Last year, Cần Thơ Province made great efforts to promote FDI, reform approval procedures, and assign its Service of Planning and Investment to help the People's Committee grant licenses in line with the Government's decentralization and one-door policy. In 1999, the central government took a lot of measures to improve the investment climate, offered more incentives and created favorable conditions for foreign-invested enterprises such as the Prime Minister's Decision 53/1999/QĐ-TTg dated March 26, 1999 and ministries' guidelines on reduction of prices of commodities and services from July 1, 1999 including fees of electricity, water, telephone as well as removal of charges imposed on foreign-invested enterprises. The province has speeded up its investment appeal, built its own website with the Swiss Embassy's help, strengthened investment marketing, and introduced its potentials and prospects on the Internet. Last year as many as 160 foreign delegations came here to investigate investment opportunities and made negotiations from U.K., France, the U.S., Belgium, Japan, Hong Kong, Denmark, Thailand, Singapore, the Netherlands including Japanese and French giants. Many sectors have attracted investors' interest such as fruit and rice processing, urban waste treatment, oil and gas. Some projects are still under feasibility study but make good progress such as Cái Cui Port, Cần Thơ Bridge, the Cần Thơ City's beltway (Japan), industrial park (France), and fruit processing (France).

...To enterprises' bright achievements

Cần Thơ's FDI enterprises still face challenges in the fierce market competition. Some FDI projects licensed in the past years have to date



not yet been implemented, for example, the automobile technique joint venture of SUMMIT-CTC, CPC Petroleum Joint Venture. However, many companies have tried their best to tackle troubles, produced profits and made significant contributions to the state budget. According to statistics, the province's industrial production value rose 9.6%, while the foreign invested sector faced the highest growth rate of 32.4% in 1999. Many FDI enterprises have accelerated their capital realization, expanded markets, and generated power for the new period. The most effective is Tây Đô Steel Joint Venture Company. Its revenues reached US\$15 million, and it paid US\$1.3 million in tax and gained a profit of US\$1.7 million. By the end of last year, the company had realized US\$8.5 million and it is now under the phase 2 construction and expected to complete by December 2000 with the total realized capital of US\$12 million. In 1999, many FDI enterprises started their businesses such as Vietnam Bio Company Ltd. with 100% foreign capital and producing rat killing substances; Cần Thơ Total Gas Joint Venture Company engaged in import, storage and distribution of liquefied petroleum gas; Bowling Entertainment Center, Howol JV Company; Thailand Pataya Food Company Ltd., the branch of Proconco Company (Proconco Cần Thơ) producing animal feed with an annual output of 30,000 tonnes...

Management suitable to the real situation

Before the effects of the regional financial meltdown, the Cần Thơ Province has promoted FDI attraction and streamlined its planning and public administration reform.

The Government's decision on reduction of land rental is completely proper. Nevertheless, the province deliberates upon each project to avoid troubles to the local side because its capital contribution is mainly land use right. For example, because the land rental of the Victoria-Cần Thơ Hotel project is cut off, the project operational duration has to be prolonged so that the Vietnam side is not required to add capital. The province has complied with the Government and Financial Ministry's regulations on reduction of corporate tax rates for FDI projects and this is good effect on investment attraction. The Service of Planning and Investment is assigned to monitor the implementation of one-price policy for some services in line with the PM's Decision 53/1999/QĐ-TTg dated March 26, 1999.

Removing hurdles and preparing for a new stage

In respect of those FDI projects which have been given green light but not yet implemented while the Government has decided to reduce land rental, the province soon removes barriers and settles this matter completely. If not, this will hamper the province's planning and alluring new projects in the same industry. Since 2000, the management board of Cần Thơ-based industrial parks (IPs) and export processing zones (EPZs) has been under the local government. As a result, the

province is required to review the infrastructure construction in these areas with a view to finding the way to fully exploit them, first Trà Nóc IP and EPZ, following Hưng Phú and Vị Thanh IPs. With its area of 150 hectares, the Vị Thanh IP will make the best use of the Vị Thanh Town's advantages for its urbanization. The IP will connect material areas of Vị Thanh, Long Mỹ, Phụng Hiệp of the province and bordering districts of Kiên Giang, Bạc Liêu and Sóc Trăng Provinces. When it is put into operation, it will have good impacts on rural production, economic restructuring, processing industry and market expansion.

The province will continue to renew its approval procedures and liberalize its investment climate. The procedures remain cumbersome and inconsistent. The consideration for approval of branches, rep offices of foreign-invested enterprises is subject to divergent regulations, especially in tourism and trade. The People's Committee currently consults its Services of Planning and Investment, of Trade and the Personnel Board for project approval but these agencies depend on ministerial guidelines which are not uniform. This has caused impediment to the one-door policy and should be overcome.

To prepare for a new period, the local enterprises are required to innovate technologies, improve management skill, and expand markets and market shares under fierce competition with local and foreign counterparts when the deadline of AFTA commitments approaches. ■