



VIETNAM CONSUMER GOOD IN KAMPUCHEAN MARKET

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- Keen competition between Vietnam, Thailand and China goods in Phnom Penh.
- How can Vietnam goods find their feet in Kampuchea?

Hữu Nghị (Friendship) market on Vietnam-Kampuchea borderland, after being closed a long time because of its special reasons, has revived again recently and this has made business circle in borderland happy.

In this market, the number of traders has increased and their activities aren't any less busy because the market is reopened now. One of the most important things is that taxes on goods exchanged over the borderline are imposed more correctly. This made

traders feel worry-free when they resume the business. Most of Vietnam consumer goods arriving in Phnom Penh are from HCMC. Besides traditional items such as plastic goods (basket, bucket, bowl, tub...), tools, electric products, there are also pharmaceutical products.

Recently, goods transported to Kampuchea are on the increase. According to tax agency at the borderland, there are over thirty 70-tonne lorries going across the borderline everyday. Their destinations are usually Phom Penh or Soai Rieng.

Goods transported to Kampuchea can also come from Gò Dầu district or other border towns. These goods are cloth, sugar, bicycle frame... In inverse direction, goods transported from Bavette market in Kampuchea ter-

ritory to Vietnam are agricultural products such as orange, pig, poultry, palm sugar... and they are transported to HCMC.

What Vietnam goods are preferred in Phnom Penh market?

According to Vietnam traders in Kampuchea, as of 1994, Vietnam goods which are preferred by Kampuchean consumers are TV set, radio cassette produced by joint-ventures of Vietnam and foreign partners because of their good quality and reasonable prices, whereas Chinese goods are of low quality and Thai goods are expensive, therefore Vietnam goods are sold well. Quality and design of Vietnam drugs aren't inferior to Thai pharmaceutical products, so they have found a good niche in Phnom Penh market. The competition between Viet and Thai products is far from over.

According to estimation, there are around 100 tonnes of goods transported from HCMC to Kampuchea everyday. The transportation is fast due to quick performance of tax agency at the borderline. The taxation has been imposed according to regulations of central authorities now.

Difficulties for border tax agency

Arriving at Hữu Nghị market at peak hour, we saw a dozen of lorries parking before the office of tax agency. They are waiting for their passes before entering Kampuchea territory. A working team was set up by Tây Ninh tax agency to take care of this border passageway. This team comprising 15 officials works all day and night. Its task are: collecting taxes and arrears of tax, and preventing smuggling.

These officials told us that taxes on goods exported to Kampuchea are imposed in accordance with regulations of the government. The tax rate is 5% for radio, cassette, TV set and drug (10% for tax-evading goods). On the contrary, foreign goods coming into Vietnam illegally will be fined from 50% to 150% of their value. Such a taxation has encouraged exports and reduced the invasion of contraband goods. This has also helped Vietnam goods found their feet in Kampuchea market.

One of the difficulties for traders is that: besides taxes they have to pay charges or fees of various kinds to market agencies along the borderline. Tây Ninh tax agency should solve this problem in order to help traders develop their business favorably in future.

Văn Tiến Dũng, team chief deputy of tax station at Hữu Nghị market has had a talk with us about his work:

Q: How can you handle tax-evading goods coming from Kampuchea into Vietnam?

A: They will be fined from 50% to 150% in accordance with their prices. Such goods as video tape player, Honda spare parts... will be fined at least 100%.

Q: How much do you collect for a quarter?

A: Over one billion. This sum of money will be transferred to the budget of Bến Cầu district.

Q: From HCMC to Kampuchea, how many taxes will be imposed on traders? Should they pay another tax at Mộc Bài border passageway after paying taxes here?

A: It depends where their goods go: in Vietnam territory or across the borderline. In short, everything we do here is in accordance with tax law and orders from our superiors, that is, we collect taxes and arrears of tax, and struggle against smuggling.

Reopening Hữu Nghị market has given Vietnam goods a chance to make their appearance in Kampuchea and compete with products from other Southeast Asian countries.