



Measures to Attract Investment from the ASEAN to Bà Rịa - Vũng Tàu

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1. ASEAN investment in Bà Rịa-Vũng Tàu

In recent years, many Southeast Asian countries have made market researches and looked for investment opportunities in Bà Rịa - Vũng Tàu. Singapore became the leading investor here with 15 companies capitalized at US\$45,508 million producing food, processed farm products and eucalyptus oil helping develop the local economy.

Malaysia invested some US\$83.73 million in six companies producing oil, plastics and processed aquatic products.

Investment from Indonesia, Thailand and Brunei is not large although it also contributes to the economic growth. Capital from these countries in Bà Rịa - Vũng Tàu is US\$41.0 million; 5.528 million and 1.5 million respectively.

Indonesia has the Interfluor Vietnam Ltd. capitalized at US\$41 million (the local party holds a 30% stake) in Tân Thành District. Thailand ran the OSC-Travel Ltd. capitalized at US\$528,000 (the local party holds 43%) in Vũng Tàu Town and ICE Vietnam capitalized at US\$5 million in Đồng Xuyên IP. Brunei opened the Pinnacle Ltd.

capitalized at US\$1.5 million to produce high-quality wooden products.

Thus, the economic relation between Bà Rịa-Vũng Tàu and ASEAN countries is still at its first stage of development but it has contributed a lot to the local economic growth:

- Gross product increased by 11.6% while the oil business rose by 18.1%. Foreign-invested companies paid VND1.457 billion in taxes, making a 71% increase compared with 2002.

- New jobs are supplied to some 200,000 local laborers.

- Industrialization is introduced to the agricultural production, thereby making the average yield rise.

- Many products in Bà Rịa-Vũng Tàu are exported. More value are added to farm products and their markets are expanded.

2. Bà Rịa-Vũng Tàu advantages in attracting foreign investment

- All IPs are along the National Route 51 leading to the Thị Vải Port.

- The National Route connects Bà Rịa-Vũng Tàu with HCMC and Biên Hòa. This Route is 24 meters wide with four lanes.

- The 10 km-long Thị Vải Port that could receive 60,000-70,000 DWT ships is under construction.

The Baria-Serece Port could handle 8,000 tons of goods a day. Some other projects are also under construction.

- The plan to build the Vũng Tàu-HCMC-Đồng Nai railroad connecting to the TransAsia railway has been approved. This railroad is 1 meter wide to allow a speed of 120 km/h for passenger trains and 80 km/h for cargo trains. It's expected that the railroad will transport some 3.1 million tons of goods and 9.5 million passengers a year. Terminals will be built in Phú Mỹ, near Mỹ Xuân, Phú Mỹ and Cái Mép IPs.

- The pipeline from Bạch Hổ mine carries some 2 million cubic meters of gas a day to Bà Rịa and Phú Mỹ Power Plants. It is expected that the Lan Tây and Lan Đỏ mines will supply 6 million cubic meters of gas everyday to IPs.

- The Phú Mỹ Power Plant with a capacity of 3,600 MW is the Vietnam's biggest power plant.

- The Mỹ Xuân Water Plant could supply 20,000 cubic meters a day. The Tốc Tiên Water Plant is expected to supply 20,000 cubic meters a day and it will be connected with the Thiện Tân - Đá D9en network to increase its capacity to 100,000 cubic meters a day.

- The Phú Mỹ Town is built near Mỹ Xuân, Phú Mỹ and Cái Mép IPs

to house some one million residents by 2010.

- Provincial authorities have made plans to build nine IPs with a total area of 3,046 hectares. They are Phú Mỹ I, Đông Xuyên, Mỹ Xuân A1, Mỹ Xuân A2, Mỹ Xuân B1, Cái Mép, Phước Thắng, Long Hương and Ngãi Giao IPs.

3. Some projects open to both domestic and foreign investment

- Projects to process food and feed from maize, soyabean, peanut and manioc.
- Projects to produce rubber finished products from local latex.
- Projects to preserve and make various items from coffee.
- Projects to plant and process fruits
- Projects to make industrial salt.
- Projects to keep and process pig, chicken, cow and poultry meat.
- Projects to growth and preserve flowers and vegetables.
- Projects to develop irrigation systems.

4. Measures to attract ASEAN investment

a. Favorable policies on investment:

- Decision 181/2003/QĐ-TTg dated Sep. 4, 2003 by the PM on the "one-stop" mechanism in public services; Directive 29/2003/CT-TTg by the PM dated Dec. 23, 2004 on improvements in the control over capital construction works; and Directive 54/2003/CT-UB issued by the provincial government on the local administrative reform are legal bases for beefing up the administrative machinery and creating corruption-free business climate in Bà Rịa - Vũng Tàu.

- All legal documents relating to the investment must be reviewed in order to suggest amendments or removal if need be.

- Inspection authorities should exert control over companies according to Directive 42/2001/CT-UB by the provincial government; and Directives 22/2001/CT-TTg and 27/2003/CT-TTg by the PM without causing difficulties and bad effects on the business world.

- Companies Registration Bureaus of all levels must update information about companies and supply necessary documents to companies as required.

- Economic authorities must hold regular meetings with companies to deal with their complaints.

b. Publicizing land planning:



- Plans to use land in rural and urban areas must be publicized in order to help investors find suitable sites for their factory buildings.

- Planning, investment and IP authorities and local government must publicize IP development plans approved by the PM and keep companies informed about investment support policies adopted by both central and provincial governments.

- Fishing, construction, environment and natural resource authorities must submit plans to build factories producing aquatic products for export to the provincial government in order to attract more investment.

- Misused or wrongly allocated land must be taken back in order to increase the stock of land needed for industrial use or infrastructure. Clear policies on the use of the land use right as capital invested in joint ventures must be made.

c. Simplifying administrative procedures:

- Regulations about private investment projects should be made by the Service of Planning and Investment.

- Products and services with comparative advantages from Bà Rịa -

Vũng Tàu must be identified and a fund for export promotion must be formed in order to set orientation for investment projects.

- Banking authorities must make the plan to form the fund for credit guarantee for small and medium enterprises. The tax authorities should simplify procedures for declaring and paying taxes to help companies save time and energy.

d. Policies to encourage foreign investment:

- Encouraging projects in aquatic products, infrastructure, tourism and manufacturing, especially one in such remote districts as Xuyên Mộc, Long Đất and Châu Đức.

- Applying the minimum land lease according to Decision 179/1998/QĐ-BTC by the Ministry of Finance to foreign investment projects.

- Applying the same prices and fees to both local and foreign-invested companies without discrimination.

- Identifying standards for preferential treatment given to investment projects and keeping investors informed about them. ■