

On Sep. 11, 1999, the HCMC branch of Bank for Investment and Development (BID) opened its office in the Tân Tạo IP. This is the 12th IP in HCMC occupying an area of 80 hectares along the National Route 1A to the west of HCMC. According to the National IP and EPZ Board and its HCMC Office, Tân Tạo IP, as one of 60 IPs all over the country, came into operation effectively within two years after getting the seal of approval by the Government. Up to now, 60 companies registered for their places in this IP and 10 of them have been operational.

"Where there is rice, there are pigeons" as a Vietnamese saying goes, the success of the Tân Tạo IP has persuaded the HCMC branch of BID to open its office there. The HCMC branch of BID wants to use this office as a stepping stone from which it could reach Vinh Lộc and Lê Minh Xuân IPs in Bình Chánh district. To a bank, one more office means more business and income.

To open this office is also an effort to supply more long- and medium-term credit to companies in response to the policy to stimulate the market demand adopted by the HCMC government. According to a rough estimate, the total bank de-

posit held by HCMC banks amounted to some VND6,000 billion. After the Vietcombank has had an office opened in the Tân Thuận EPZ, the BID, with this office, becomes the first bank operating in one of 12 IPs in HCMC. The principle role of banks is, of course, to supply loans to economic concerns that are now badly in need of capital, and naturally, companies with good track record will be given preferential treatment by banks.

To assure businesspersons of their determination, the HCMC branch of BID, after the opening ceremony, signed a contract with the Tân Tạo IP management Board promising to supply a VND40- billion loan to the IP and its BC Construction Company. In the future, it's hoped that an amount of VND500 billion more from various sources will be supplied to this IP. Could HCMC banks consider this IP as an important borrower that would help them make use of the deposit surplus of VND1,000 billion? Buying government bonds is safe and profitable enough but it couldn't produce good effect on the economic growth. The contract between the HCMC branch of BID and the Tân Tạo IP Board in the presence of many businesspersons and representatives from

Bình Chánh government created a pessimistic mood for the opening ceremony. It allows us to look forward to success of IPs in HCMC, after Tân Thuận and Linh Trung EPZs, and of the industrialization and modernization process in Vietnam as well.

The Tân Tạo IP could be also considered as a new working place for small and medium businesses in HCMC. Some 10 companies have decided to move their factories to this IP. They can also rent land or factory buildings at reasonable prices (VND24,000 a month for a square meter during the first ten years). The land use right will be granted when they start their business there. This is a policy to attract both foreign and local investors. The Tân Tạo IP, along with the office of the HCMC branch of BID, will become the promised land for businesspersons from HCMC and other provinces as well.

Thus, banks and industrialists have found the Tân Tạo IP a good working place for companies, especially small and medium ones that are prepared to move their factories from inner city to suburb. Making investment in the Tân Tạo IP is to kill two birds with one stone.

TÂN TẠO IP

A NEW PLACE OF WORK FOR BUSINESSPERSONS

by TRẦN TỬ TRUNG

