

Determining what staples for export are, and investing labor, capital and technology in producing them is the controversial problem in HCMC now.

Some argued that HCMC was the center of a zone of abundant agricultural potentials, so it should become a trading center for agricultural and maricultural products. With experience in trading with foreign countries, HCMC could easily take this role. But some others said that HCMC was an industrial center with great potentials for labor, technique and capital, so it should export manufacturing goods.

In the past years, exports from HCMC were unprocessed agricultural and maricultural products. But in recent years, when other provinces have exported the same products which were their staples such as coffee, black pepper, corn, cashew... the exportation of these products from HCMC decreased gradually: black pepper exported in 1994 was approximately 3,000 tonnes, decreased by 37.5 per cent in comparison with 1993; coffee: 22,400 tonnes, decreased by 26.2 per cent; cashew: 8,700 tonnes, decreased by 42.7 per cent; frozen shrimp: 6,200 tonnes, decreased by 22.3 per cent...

Although these exported products decreased in quantity, but HCMC export turnover amounted to US\$538 million, increased by 12 per cent compared with the corresponding period last year. This resulted from exportation of HCMC industrial and handicraft products. In 1994, HCMC exported around US\$195 million worth of industrial-handicraft products. In structure of exports, percentage of industrial-handicraft products increased also: from 29.8 per cent in 1993 to 36.2 per cent in 1994 (in the last quarter of 1994, it reached 42 per cent).

The industrial-handicraft products which were well exported in recent years were: garments, leather, leatherette, handicraft articles...

As for garments, although they were exported in large quantities but they mainly were shirts or wind-cheaters. These articles are easy to made but the fee is low. Competition between garment companies has brought down the fee even lower (around US\$3 for a shirt). This had bad effect on product quality and living condition of the workers. In the meantime, these companies paid only little attention to making jacket or coat although customers could paid US\$30 for tailor's fee, because a jacket maker is hard to find or train.

In such a situation, we can see that HCMC had better invest in

producing industrial-handicraft goods for export. On the other hand, well-processed agricultural products could be seen as industrial products (they were still classified as agricultural products now). So HCMC authorities should pay attention to modernizing agro-industries in order to meet foreign customers' requirements and forming co-operation between HCMC and other provinces because these provinces can co-operate with foreign companies.

Being equipped with modern machines, Cần Thơ Agro-maricultural Product Processing Factory could export over 2,500 tonnes of frozen shrimp and squid worth US\$22,150 million in 1994, a twofold increase compared with the corresponding period last year. Many HCMC companies have co-operated with other provinces now,



they have invested money, bought up the entire output and put it through manufacturing process before exporting it. In 1994, Saigon Agrex bought 1,200 tonnes of ginger, processed them, and produced 1,000 tonnes of ginger for export.

In short, determining staples for export is an urgent matter for HCMC export business. After that, many measures should be taken to develop this business. If industrial products are considered as staples for export (including processed agricultural products), then we must invest money in buying agricultural products from other provinces, in storing them, in modernizing HCMC agro-industries and in training workers... All these tasks should be done before we can be certain about the future of HCMC export business. ♣

WHAT PRODUCTS SHOULD HCMC MAKE STAPLES FOR EXPORT?

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