

In the past two years, there were many changes in number of foreign projects, average size of a project, structure of investments, number of investors and their ranking, etc. but we saw no remarkable sign of redistribution of foreign investment over regions.

Up to 1993, most foreign investors put their money mainly in Southern provinces. In the past two years, foreign investment has started to spread over northern provinces (to the north of Quảng Bình), but the number of projects is still small in comparison with Southern provinces.

Distribution of foreign projects between Northern and Southern provinces (not including projects in oil business)

cently, has attracted 53% of projects and 56% of capital invested in the whole country. Up to the beginning of 1996, it still occupies 52.5% of projects and 51.6% of capital put in Vietnam, whereas the Northern Vital Economic Zone attracts only 21.6% and 20.5% respectively.

Looking at the Eastern South Vietnam (including HCMC and 9 surrounding provinces), we saw that this region, up to the beginning of 1996, had attracted 62% of projects and 57.2% of capital put in the whole country: the importance of this region saw no remarkable change since 1993 (when it occupied 60.2% and 59.6%). Obviously, this region is still the most attractive in the eyes of foreign investors. Of the ten most attractive provinces and cities, four were in this

- Abundant natural resources, easy access to local and foreign markets.

- Acceptable infrastructure (especially communications, water and power supply).

- Relatively developed trading and service industries, and moderate urbanization.

- High rate of personal and corporate saving, that is, a reliable source of local investment.

The management role of the government, the zoning, the making of a strategy for overall development, the information about local resources, etc., can certainly produce effects on the redistribution of foreign investment over regions and reduce difference in level of development between regions. However, in the market economy and present international relations, it's difficult to make changes to the said conditions.

In the coming years, with the determination to develop the Vital Economic Zone in Central Vietnam (Quảng Nam-Đà Nẵng, Dung Quất) and improve the infrastructure of backward regions, we hope that the foreign investment will be redistributed more evenly ■

Period	Projects	Total capital (US\$ billion)	North		South	
			Projects	Capital	Projects	Capital
1988-1993	802	7.1	27%	33%	73%	67%
1994-1996 (Jan.10)	1333	17.5	29%	35%	71%	65%

Source: Statistics Yearbook 1994 and Document supplied by the Ministry of Planning and Investment.

In the North, there were more provinces receiving foreign investment in the past two years. In the first five years between 1988 and 1994, foreign investment in the North was concentrated in Hà Nội, Hải Phòng, Quảng Ninh (the Northern Vital Economic Zone) where attracted 81% of projects and 90% of capital. At present, this zone occupies only 74.7% of projects and 75.7% of capital invested in the North. Foreign investment has spread over surrounding provinces such as Hải Hưng, Hà Tây, Hà Bắc, Bắc Thái, Vĩnh Phú, Ninh Bình, and even over northern Central Vietnam (Thanh Hóa, Nghệ An, Hà Tĩnh).

To the end of the period 1988-1993, of the ten most attractive provinces, there were only two in the North: Hà Nội and Hải Phòng (ranked 2nd and 4th respectively in attracting capital licenced in this period). At present, there are two northern provinces more in this top ten (Hải Hưng and Thanh Hóa as replacements for Khánh Hòa and Tiền Giang).

In the South, the redistribution of foreign investment took place slowly: 74% of projects and 79.5% of capital (compared with 74% and 84% respectively in the previous period) were put in HCMC, Đồng Nai and Bà Rịa-Vũng Tàu (the Southern Vital Economic Zone). This zone, until re-

region, while there was only one (Quảng Nam-Đà Nẵng) in the Central Vietnam and one (Kiên Giang) in the Mekong Delta.

In the whole country, considering provinces and cities attracting US\$50 million, and more, of foreign investment, we had got over 20 units (twice as many unit as the period 1988-1993). Around 50% of Vietnam provinces attracted foreign investment of under US\$50 million, and among them, five provinces attracted no project (see the map).

Provinces attracting foreign investment usually have got manifold advantages:

- Convenient communications with other provinces and investors' countries.

- Skilled labor force.

REDISTRIBUTION OF FOREIGN INVESTMENT

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