

The Mekong Delta (MD) is one of main economic zones which supplies a better part of Vietnam rice output. In 1996, it supplied us with some 14 million tonnes of food, including 13.7 million tonnes of rice, or 52% of rice output of the nation. Of the MD rice output, 8 million tonnes were supplied to the markets and 6 million tonnes of which were of high quality, and after being processed, used for export. Vietnam rice export this year certainly pass the three million tonne mark, an unprecedented level, in spite of flood and other natural disasters in all over 40 provinces and cities causing losses to rice output of the country. Over 90% of rice export came from MD. This delta has ensured the food safety for the country and contributed a lot to the growth rate of over 9% per year and to the changes in national structure of industry since 1991.

A SUGGESTION ABOUT MEASURES TO CHANGE THE STRUCTURE OF INDUSTRY OF THE MEKONG DELTA

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as well. One of the most urgent problems is to change the structure of industry in MD, diversify agricultural production, introduce new strains of animals and plants with a view to producing high-quality products instead of striving for big output.

To change the structure of industry is not only the problem facing the central government, but also local ones and farmers themselves. The task is to develop a multi-sector economy with high efficiency. In this direction, by 2000, there will be a new structure of industry in MD in which all three sectors will represent equal percentage of the gross output. This

Table 1: Vietnam GDP structure (1991-1995)

| | 1991 | 1992 | 1993 | 1994 | 1995 | 1996 (est.) |
|------------------|-------|-------|-------|-------|-------|----------------|
| Primary sector | 40.49 | 33.94 | 29.87 | 28.70 | 27.50 | 27.10 |
| Secondary sector | 23.79 | 27.26 | 28.90 | 29.65 | 30.10 | 31.20 |
| Service sector | 35.72 | 38.80 | 41.23 | 41.65 | 42.40 | 41.70 |

However, up to now, MD is still a poorly-developed region with unbalanced structure of industry, low personal income and low intellectual standards. Main causes of this situation are: poor infrastructure, floods in three successive years, absolute importance of rice production, poor development of manufacturing and service sectors, lack of a labor market needed for reducing seasonal unemployment, etc.

However, big rice output didn't lead to wealth because its low quality kept the rice price low this year. To defeat poverty, MD farmers have to escape from the purely agricultural production and rice-monoculture, develop manufacturing and service industries needed for processing, storing and improving quality of rice and other products such as fruit, meat, fish or shrimp which are very abundant in this region.

Three crops in 1996 have posed new problems for MD and the country

task requires changes in the development of each sector in the coming years: increase in the growth rate of manufacturing and service sectors and decrease in primary sector. In agricultural production, products of animal husbandry business will be of larger percentage. Rice output will be reduced relatively but the quality of rice and rice yield must be improved with a view to meeting demand of both domestic and foreign markets.

In my opinion, main solutions are:

1. It's necessary to perfect the master development plan for MD to industrialize and modernize the local economy as instructed by the VCP 8th Congress Resolution and the Government's Decision 99 with a view to changing this region into a center producing various kinds of agricultural products for export and supplying raw materials to local agro-industries. Based on the master plan, central governmental bodies, in coopera-

tion with local ones, work out schemes to attract capital and technology needed for the stable and steady development. The master plan must aim at an overall development for MD, especially agro-industry, trading and tourist businesses. Thus, big investments must be put in EPZs in Cần Thơ, Trà Nóc; agro-industrial factories in Long An, Mỹ Tho; trading and service

centers by Tiền and Hậu rivers; and numerous rural industrial towns in the delta.

2. Investment from central and local governments, from the public and foreign parties must be attracted and put in plans to develop and upgrade the infrastructure, especially road network and power supply which are so obsolete that they become obstacle to the change in MD structure of industry.

Communication authorities had better work out plans to develop the road network leading to economic centers of the delta, especially to newly-developed areas such as Đồng Tháp Mười, Long Xuyên Trapezoid, Cà Mau Peninsula, West bank of Hậu River. Floods in the past three years show that the road network is not good enough to be safe from heavy and prolonged floods in the delta. If the road network isn't improved, we will have to spend a lot of money every year on repairing it after flood season but the network will keep on failing to work properly some months a year. The live-with-flood principle must be taken into consideration when the plan to upgrade the road network is made.

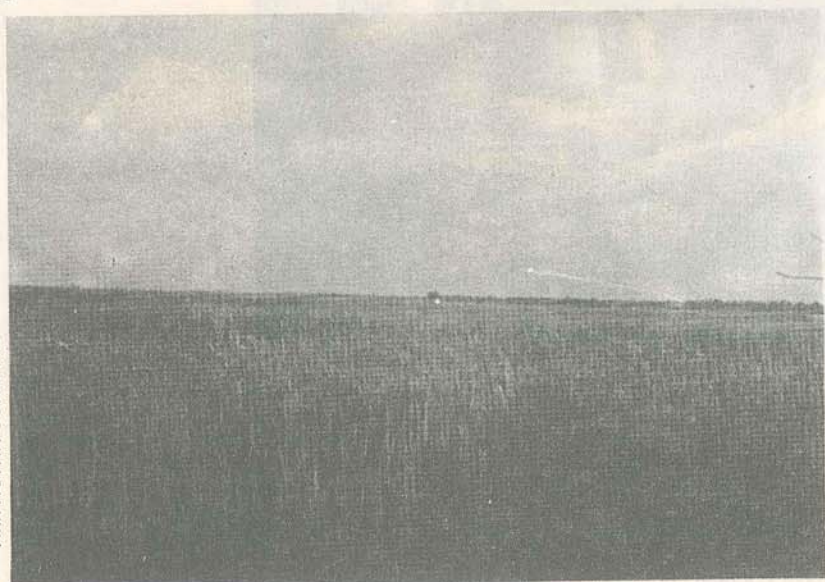
When the domestic source of finance is limited and falls short of the demand for upgrading the infrastructure, or the road network and power supply to be precise, in MD, the Government had better call for investment from foreign investors or international institutions and give reasonable incentives to projects in this field.

3. Besides infrastructure, top priority could be given to the development of industrial estates and service and trading centers. The plan to build the Trà Nóc and Cần Thơ EPZs which will produce high-tech products such as electronic gadgets, machines, chemicals, fertilizers, building materials, glass and garments and attract 80% of industrial strength of the re-

gion, will serve as the locomotive of the local manufacturing and service industries.

One of priorities given to this delta is to develop modern agro-industrial factories in provinces rich in agricultural products (fish and shrimp in Minh Hải, Kiên Giang; rice in An Giang, Đồng Tháp; fruit in Vĩnh Long, Bến Tre, Tiền Giang, Cần Thơ...). As for rural industries, it's necessary to invest more money and technology in order to produce high-quality products for export.

Such service and trading centers as Cần Thơ, Cà Mau, Châu Đốc, Long Xuyên, Mỹ Tho, Rạch Giá should be turned into service-trading-tourism centers in order to attract both investors and tourists. Cultural and ecological tourism must be developed and managed properly in order to create more jobs, increase income per capita, protect the rural environment and



accelerate the changes in local structure of industry.

4. In order to encourage changes in structure of industry in MD, the Government had better build the Western South Economic Zone connecting to HCMC and Eastern South. Realities in Vietnam and other countries show that the vital economic zones always produce good effects on the changes in the structure of industry of the region. In MD, there are enough conditions for development of a vital economic zone with the commercial farming connecting with agro-industry and exportation of agricultural products. If the Government make good plans and investment, the MD vital economic zone will certainly help to accelerate the growth rate and change the local

structure of industry.

5. Regarding science and technology, the change in structure of industry requires a broad application of scientific and technological achievements. The MD, being near HCMC-an important and center of science and technology of the country-with many local research centers, such as Cần Thơ College, MD Rice Institute, Sông Hậu and Cờ Đỏ Farms specializing in producing new rice strains and many other agricultural promotion offices, and thousands of

engineers and technicians, has enough conditions to introduce scientific and technological achievements to all sectors. In order to make the best use of these potentials and advantages, central and local governmental bodies must take measures to attract well-trained technicians and managers to MD.

As for agricultural production, the Ministry of Agriculture and Rural Development had better instruct related bodies (Southern Institute of Agriculture, MD Rice Institute, state farms, agricultural promotion offices, etc.) to concentrate on producing new strains of plants and animals with high yield and quality satisfying demand and taste of both domestic and foreign markets. In this task, these related bodies must be reorganized and supplied with adequate investment.

Beside the application of biological achievements to the agricultural production, other technical methods must be also introduced to farmers (crop rotation, IPM program...)

In MD, there are good conditions for developing animal husbandry and the growth of fruit and perennials. Improvement of their quality will help to make them more competitive in foreign markets, to diversify agricultural production and change the MD structure of industry.

If these solutions are carried out in the coming years, by 2000 and 2010, the MD structure of industry will be as follows:

| Sector | 1997 | 1998 | 1999 | 2000 | 2005 | 2010 |
|---------------|------|------|------|------|------|------|
| Agriculture | 62.5 | 60.3 | 58.2 | 55.4 | 40.0 | 34.0 |
| Manufacturing | 12.5 | 14.2 | 15.4 | 17.0 | 30.0 | 35.0 |
| Service | 25.0 | 25.5 | 26.4 | 27.6 | 30.0 | 31.0 |