



# THE EASTERN SOUTH VIETNAM A PROMISED LAND UNTIL 2000

by Prof. VĂN THÁI

## THE EASTERN SOUTH VIETNAM: A POTENTIALLY RICH ZONE

The Eastern South Vietnam is a large zone comprising many provinces and cities in the South. According to the statistics and common way of thinking, this zone includes eastern provinces of South Vietnam. They are HCMC, Sông Bé, Tây Ninh, Đồng Nai and Vũng Tàu-Bà Rịa, with an area of 23,500 sq km and a population of 9.0 million people (1993).

From the viewpoint of economic zoning, basing on geographical relations and HCMC's sphere of influence, we could include in the Eastern South Vietnam HCMC and nine surrounding provinces: besides four above-mentioned ones, there will be Lâm Đồng, Ninh Thuận and Bình Thuận (south of Central Vietnam), Long An and Tiền Giang (the Mekong Delta). Thus, the Eastern South Vietnam will have a population of 14 million (1993) and an area of 52,000 sqkm, three times bigger than Is-

rael's area and population. The Eastern South Vietnam represented 15.6 per cent of Vietnam territory, 19.5 per cent of population and 15.6 per cent of GDP (1993), whereas including only HCMC and four eastern provinces, the Eastern South Vietnam occupied 7.0 per cent of national territory, 12.5 per cent of population and 30 per cent of GDP.

## A VITAL ECONOMIC ZONE IN THE SOUTH

The Eastern South Vietnam is rich in potentialities, both internally and externally, and has ability to become a dynamic economic zone of Vietnam.

The Eastern South Vietnam has a favorable position: being bordered in the north by Western Highland rich in forest products, perennial plants and hydro-power potential; in the west by the Mekong Delta rich in agro-maricultural products; in the south-east by 500km-long coastal line

(from Ninh Thuận to Tiền Giang) which has potential for oil, mariculture, tourism, resorts and port building. The Eastern South Vietnam can easily get access to the main shipping routes to Southeast Asian countries.

Apart from some low hills, the Eastern South Vietnam is relatively flat, its geological formation is favorable for building roads and other material infrastructure. Its hydrographical and climatic conditions are more regular than other zones and almost free from flood and drought.

Main resources of the Eastern South Vietnam are: oil, bauxite, wood, perennial plants (cotton, rubber, tea, coffee, coconut, sugarcane, etc.), fruit trees (represented nearly 40 per cent of area growing perennial plants of the whole country), hydropower, maricultural products, tourism-magnetic areas, etc.

Abundant natural resources, and a skilled and numerous labor force are preconditions for forming a healthy structure of industry in the Eastern

South Vietnam. In 1993, the structure of gross product of this zone (including only HCMC and four eastern provinces) is as follows:

- Manufacturing and construction industry: 46.8 per cent
- Agriculture, forestry: 12.3 per cent
- Service industry: 41.5 per cent

If only well-developed provinces of this zone (HCMC, Đồng Nai, Bà Rịa-Vũng Tàu) are taken into account, the structure of gross product is as follows:

- Manufacturing and construction industry: 39.6 per cent
- Agriculture, forestry: 12.5 per cent
- Service: 47.9 per cent

## Source:

Statistics on dynamic economic zones, HCMC Statistics Office, 1994.

The infrastructure in the Eastern South Vietnam is rather good with its Saigon Port and Tân Sơn Nhất airport. Its urbanization rate is high with industrial estates in HCMC and Biên Hòa. Its industrial products



are processed food, textile, garment, leather, chemicals (fertilizer, rubber), electronics, power, fuel, petrochemical, processed wood, paper, pharmaceutical products, building materials, etc. There are two EPZs here (Linh Trung and Tân Thuận). Linh Trung is the first EPZ in Vietnam which has their products exported. Many other industrial estates are under construction.

Obviously, the Eastern South Vietnam is a dynamic economic zone. Its main economic strength concentrated in area of Southern vital economic zone (including HCMC, Đồng Nai and Vũng Tàu-Bà Rịa).

#### A DEVELOPMENT TRIANGLE: A PROMISED LAND

In this zone, a development triangle has been formed quickly and stably which produces power forcing surrounding provinces to change their economic structure and integrate local economies into the world and the region. Although the Eastern South Vietnam has been exploited and developed for nearly 300 years, it has changed quickly into an active "development triangle" at national and regional levels. In the past three years, from 1991 to 1993, its gross product increased by over 15 per cent a year (Vietnam growth rate: 8 per cent a year). The industrial growth

rate of this zone speeded up in 1992 and reached a rate of 20 per cent during 1992 and 1993. The structure of gross product of this development triangle, as it was mentioned above, is equivalent to the GDP structure of South Korea in the second half of the 1980s when this country was about to take off. In 1993, this zone contributed 25 per cent of Vietnam export turnover, 28 per cent of Vietnam GDP although it represented only 10 per cent of national population and 3 per cent of national territory.

The Eastern South Vietnam has great attraction for foreign investment. In early 1995, of over 1,000 foreign investment projects worth US\$11 billion licenced, 60 per cent of them and 60 per cent of total investment were attracted to this zone. Apart from investment put into oil industry, the development triangle has attracted 50 per cent. Many big projects are concentrated in here and many famous international investment organizations have come to this zone. The Eastern South Vietnam, with its development triangle, is changing into a promised land for international investors, a common meeting place from now until 2000. Without speaking, but foreign investors understand that coming here after 2000 means missing the bus.



**C**risis is talked about so much by numerous scientists, especially after the Great Depression of the 1930s. A lot of time and energy have been put into researching causes of economic crisis and measures to control, struggle against or escape from crises. Therefore, many definitions of crisis have been stated. Basically, there is no contradiction between these definitions, but there is also no standard definition of crisis.

In my opinion, crisis is a disequilibrium of interactive factors, of two sides of a thing, which prevents, deforms or even breaks down the normal course of development of things. Thus, the crisis should be studied and analyzed under different aspects: economic crisis, social crisis, political crisis, monetary crisis, total crisis, partial crisis, over-production crisis, over-consumption crisis, sudden crisis, potential crisis, etc.

Recognizing the existence of crisis or not has both theoretical and practical meanings. If one recognizes the existence of crisis, one should work out plans or theories for preventing or controlling crisis. If not, one will do nothing. On the other hand, one could need different management mechanisms with different methods and tools to control, or escape from, or recover from crisis.

I think that, in short term, a total crisis doesn't exist permanently in a nation. But taking a long view, total crisis is a cyclical phenomenon. Naturally, duration and gravity of each crisis is different because of various factors.

Partial crisis, however, makes its appearance more frequently than total crisis. It happens here and there, now in this sector, then in another. Usually, after a period of crisis, both the total and partial one, things reach a higher growth rate. However, if crisis duration prolongs with considerable gravity, things will be badly hurt, or even killed, or seriously damaged and will be hard to recover.

Thus, we can say that crisis is an objective and cyclical phenomenon in development process of things. With such way of thinking, I believe that in any nation, there must be a crisis (of any kind, sudden or potential, total or partial one) in various activities (economy, politics, social or monetary system, etc.).

From this point of view on crisis, I am of the opinion that our economy basically escaped from a total crisis. This showed itself in the following facts:

1. The annual growth rate reached 7.8 per cent in the past four