

Looking back on the past year, we saw that HCMC and the whole economy had made certain achievements which serve as a firm basis for future development although many difficulties and challenges are still in store. Achievements by the HCMC economy could be seen in the following data:

a. The growth rate in 2000 was 9% in comparison with a 6.2% rate in 1999, that is, the economic decline in the past four years (since 1996) was stopped.

pal government used its funds to help companies which wanted to make new investment in fixed assets; apply the ISO 9000 system; design and produce new equipment or machines as import substitutes and hold meetings to introduce these machines and equipment; promote trade with local and foreign partners; reduce pollution; and get access to information and knowledge in preparation for the AFTA.

This program contributed a lot to companies' preparation for the re-

for only a short time, the Fair provided local companies with a chance to exchange hundreds of trading contracts and memoranda.

d. In July 2000, the HCMC Securities Trading Center came into operation. Five companies have had their securities listed and commodities offered for sale here include T-bills also. Although it is still at the first stage of development, this center could be seen as a new step forward on the road to formation of the capital market in Vietnam.



HCMC AT THE TURN OF THE CENTURY

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b. The growth rate of the manufacturing sector was the highest one since 1996 and higher than the average rate gained in the years 1991-95 (15.7% in comparison with 15.59%). Construction business was the biggest contributor to the gross product. Other industries, such as engineering, rubber, plastics and electronics, also increased by no less than 20% as compared with the same period last year.

The program to help companies modernize at low costs to enhance their competitiveness and exports in the years 2000-2003 launched in February 2000 became a link between the Government and business circle and it started to produce good effects. By this program, the municipi-

gional and international integration.

c. HCMC export earnings reached US\$5.9 billion, making a year-on-year increase of 27% (The export earnings rose by 24% in 1999 and fell by 2.8% in 1998). The share of manufactured goods in exports increased considerably and reached the 74% mark. The market for HCMC exports was also expanded. At present, HCMC has trading relations with some 110 countries and territories. In 1999, a Vietnam's Exports Fair was held for the first time in HCMC with the participation of 186 companies. With 276 stalls selling all staple products for export, the Fair attracted over 50,000 visitors, 13,000 of which were local and foreign businesspersons. Although it was held

e. The HCMC tourism industry, after a period of decline, started to boost again with many new operation and products. It's planned that the industry would serve over one million foreign visitors in 2000, higher than the peak of 925,000 visitors in 1996.

f. Foreign investment in HCMC also showed signs of recovery after the Asian financial crisis. It's planned that the number of FDI projects would rise by 12% and registered capital by 23% in comparison with 1999. Many existing projects were allowed to increase their capital. These are encouraging signs although increases in foreign capital are still small.

g. Domestic investment also increased because the investment climate was improved. Ten months after the Companies Law came into effect, 4,500 companies with total registered capital of VND4,600 billion have made their registration, making an increase of 104% in terms of the amount of new companies and 59% in terms of registered capital. In addition, many existing companies also applied for permission to change their form or size making their total capital increase by VND2,300 billion.

HCMC industrial parks and export processing zones received many new entrants. At present, some 35% of total area of these parks and zones has been leased. This figure in some parks was even higher: 100% in the Binh Chiếu IP, 93% in Linh Trung IP, 75% in Tân Tạo IP, etc. The construction of the Quang Trung Software Park which started in October 2000 marked an effort of the municipal government to engage in the knowledge economy in the next century.

h. Foreign relations developed well in 2000. The President Clinton's visit to Vietnam marked the beginning of new international cooperative programs for Vietnam.

Besides economic achievements, the face of the society and the living standard also experience improvements. The program to clear slums along the Nhiêu Lộc Canal improved housing conditions for 35,000 poor residents and made these areas more attractive. Local governments also paid full attention to other social programs (poverty alleviation, building houses for the poor and revolutionary families and building orphanages, etc.). Many of these programs have become examples to other provinces.

Up to now, the hunger has been eradicated and many measures have been taken to reduce poverty (developing dairy farms in Hố Môn and District 12, aquatic product processing industry in Cần Giở and handicraft business in Districts 12, Tân Bình etc.)

These achievements are due to not only favorable conditions in the world market in 2000, but also the determination of local governments and residents. These achievements could serve as a basis for further developments in the next century. Certain valuable lessons could be drawn from these achievements:

(1) Encouraging creativity and liberalizing all possible potentials: The people's creativity, activeness and alertness to the market mecha-



nism are advantages of the city in the struggle for development. Therefore, the local government decide to remove all mechanisms that hinder people's activeness and creativity in the coming years and adopt new policies to encourage the creativity and tap all possible potentialities of the people, considering these policies as the dynamic of development and an indicator of the economic reform.

(2) Making use of three factors constituting the dynamic of development: These factors are:

- Laws of the market economy: the government should try its best to ensure fair competition in order to force all companies to become more competitive on both local and foreign markets; introduce liberal trade and expand export markets with a view to increasing the demand when disposable personal income in Vietnam is still low.

- Policy goals and effective administrative machinery: In Vietnam, all activities by individuals, companies and the government should be oriented towards the building of a wealthy, stable, democratic, equitable and civilized society. To achieve this aim, the government must find way to coordinate activities of these parties in order to solve urgent problems and allocate better all resources and information needed for joint programs for social progress.

- Cultural factors: Vietnamese ethical values and cultural traditions have an increasingly important influence on the dynamic of development. In the coming years, the government should launch campaigns to stimulate everybody to greater creativity and efforts.

(3) Realizing three groups of basic measures to achieve faster development:

- Increasing the gross investment by improving the investment climate, promoting business opportunities, reforming the banking system and making policies to orient new investment towards policy goals.

- Enhancing efficiency of investment by reforming the system of state-run companies and the administrative machinery in order to enhance the state control over investment projects.

- Expanding markets for HCMC goods and services by encouraging cooperation between companies and governmental agencies, identifying target markets for each period and orienting the HCMC economy towards export.

(4) Opening five fields for all sectors: To accelerate the socioeconomic development when the budget income is limited, the HCMC government could open the following field for all sectors to invest in: education, health care, cultural activities, techno-scientific research and infrastructure development.

(5) HCMC should go first in solving national problems based on its advantages: A look back on the economic development in the past ten years reveals that HCMC and the whole economy face the same problems and if no solution is found in HCMC, efforts made in other provinces and cities couldn't make any remarkable improvement, however, all solutions found and carried out in HCMC haven't tapped its potential as a economic, scientific, cultural and financial center. To develop faster in the coming years, HCMC productive forces should go first in solving problems facing the whole economy by making the best use of their potential. I think it's quite possible for HCMC to achieve this goal. ■