

**H**CMC, as a political, economic, cultural and scientific center, needs a special statute to develop fast and firmly. This statute could be applied to: (1) a special zone including HCMC; or (2) HCMC only.

**1. Image of a special zone including HCMC**

The special zone in the South could include HCMC, Bà Rịa-Vũng Tàu, Đồng Nai, Bình Dương and Khánh Hòa. In this zone, many industrial estates are developed and deep ports are built in Cam Ranh (Khánh Hòa) and Vũng Tàu. Some five million tonnes of goods are traded with this zone every year and this amount is still on the increase. With great oil reserves, some oil refineries and shipyards could be built to attract international liners, and

# SPECIAL STATUTE FOR SOCIOECONOMIC DEVELOPMENT IN HCMC

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**2. Problems arising from HCMC economic growth**

In the 1990s, HCMC gained a high growth rate (from 10% to 16%), its exports and production rose

in depraved works). The young from rich families usually fall into bad habits, vanities and foreign lifestyle.

b. The second is the pollution of the environment. Main factors caus-



this zone could become one of the world's biggest industrial region by the shipping lines from the Pacific to the Indian Ocean.

At present, although the Vũng Tàu deep port is still under construction, some other ports in Vũng Tàu-Bà Rịa could receive 40,000-ton liners. The road network has linked Vũng Tàu with HCMC and Bình Dương. Many industrial parks and residential areas were built and the growth rate of these provinces varies from 15% to 25% a year (the highest rates in Vietnam). This growth rate could be higher if a deep port is built in Cam Ranh and oil refineries are built here. To control this zone and accelerate the economic growth, a special statute is needed and this statute will help HCMC play well its role as a banking, financial and technological center.

quickly, the tourism industry developed well with some two million visitors a year, market prices were stable, infrastructure was improved, supplies of essential goods were reliable. Many social problems were solved well: unemployment rate was kept low (low-paid jobs - some VND400,000 a month - are easy to find), law and order was ensured, etc. However, many problems arising from the economic development require fuller attention.

a. The first is the danger of losing traditional values: hard working, thrift and respect for knowledge and education. Tendency to get rich quickly becomes common among many young people and businesspersons who are ready to break the laws (by engaging in drug traffic, prostitution, smuggling, corruption or trading

ing pollution is traffic congestion and untreated waste from factories. The pollution could cause harm to the economic growth, especially the tourism industry. In addition, the traffic congestion can prevent smooth transport of goods and raw materials for industries.

At present, HCMC authorities are concentrating on dealing with the traffic congestion (upgrading the road network, building new roads and residential areas in suburbs, and enforcing road regulations, etc.). These efforts, however, are only short-range solutions that can't tackle the root of pollution.

c. Gloomy prospects for HCMC economic growth

- The Saigon Port could only receive 20,000-ton liners. When the deep port in Vũng Tàu comes into op-



eration, foreign liners tend to have cargoes unloaded there. This tendency will prevail when other seaports are built, and as a result, heavy industries and foreign trade activities will concentrate in Vũng Tàu-Bà Rịa and Khánh Hòa, instead of HCMC.

- The HCMC growth rate shows signs of decline while growth rates of surrounding provinces rise (Binh Dương, Đồng Nai and Bà Rịa -Vũng Tàu) because more and more industrial parks are built there offering more job opportunities.

- HCMC, as a hub of road network connecting the Mekong Delta with the Eastern South and Central Vietnam, has become a bottleneck where the traffic congestion seems unsolvable. More beltways are needed to ensure the transport of goods and deal with traffic congestion.

- Polluting factories in HCMC center should be moved to suburbs or adjacent provinces. This process will cause troubles for a lot of people and falls in industrial output.

- When most of factories are moved, industries and foreign trade develop better in surrounding provinces, HCMC should concentrate on the service sector and knowledge-based economy. Preparations for this stage, however, seem inappropriate.

**3. Statute for the special zone and HCMC**  
To solve HCMC problems and develop the whole zone, we suggest here some policies.

a. A statute for the whole zone:

- There should be a plan to develop the whole zone - including projects to build oil refineries, deep ports in Vũng Tàu and Cam Ranh, a high-

way connecting Vũng Tàu with Cam Ranh and develop areas along this highway. From this highway, there are feeder road leading to HCMC and inland provinces dividing the whole zone into square areas. These squares will be used for specific purposes: industrial parks for clean factories and polluting factories separately; for agriculture or for residential blocks. If the plan is well devised, a lot of time and money will be saved for next generations.

- HCMC has to deal with the following problems to contribute to the development of the zone: relocating polluting factories to suburbs, moving part of population from the inner city, and giving financial support to the development plan for the zone.

- It's necessary to form a Zone Board including representatives from HCMC and provinces in this zone to make the planning. This Board will work with banking, trading and customs authorities to secure necessary help.

b. A statute for HCMC:

The best plan is to turn HCMC into a banking, financial, tourism and clean industrial center.

- Communications: To ensure good communications, HCMC authorities should limit the use of private means of transport and promote public service vehicles by imposing heavy taxes on imported motorbikes, cars for private use and parking lots; limiting import of private vehicles, charging high road taxes, launching such campaign as "no-car days", giving subsidies to bus companies, etc.

- Foreign trade: HCMC authorities should make regulations against import and sale of private means of transport and luxury goods by impos-

ing heavy taxes. Customs forces should be beefed up to undertake this task.

Recently, there have been many meetings between companies and customs authorities to work out reforms in customs formalities and many encouraging results were achieved. This effort should be promoted in order to facilitate the foreign trade activities.

- Law enforcement: It isn't likely that the law enforcement forces could cope with changing economic conditions and expansion of crimes, not to mention organized ones. So it's necessary to call for help from the public by allowing local residents to take part in discovering violations of laws, giving rewards to persons who supply valuable information, and punishing properly all cases of violations.



- Information disclosure: Information about government and companies are necessary for researchers and policy makers. The information disclosure is also a way to encourage the public to engage in the struggle against crimes and inequalities.

- Inflation for development: HCMC authorities, with approval from the central government, could carry out development projects based on inflation. Companies that undertake these projects could be allowed to issue shares or list their shares in the stock market with a view to mobilizing long-term capital from the public.

To build up a statute for HCMC, many problems should be taken into consideration, what presented above are only our initial suggestions ■

