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M'SIA-VIETNAM EPZ OFF TO A GOOD START IN '96

By: Rachman Nordin

HANOI, Jan 30 (Bernama) -- "This EPZ will work! Because it combines Malaysian EPZ expertise, one of the more successful in the world and Quangnam-Danang's provincial resources."

Such is the assertion that underlines the optimism in 1996 of the Malaysian developer of the Danang EPZ (export processing zone) in central Vietnam as watchers and detractors appraised its progress during the past 27 months since it was licensed.

"With Tan Chong coming and Petronas in Dung Quat, we can only forecast blue skies and happy days ahead for the company and the people of Danang," said Major (Retired) Thomas Oh today.

Oh, the general director of the EPZ Massda Joint Venture Corporation, was referring to last year's announcement that Tan Chong Motor Holdings would take a 55 percent stake in a RM137.5 million car manufacturing joint venture there.

As for Dung Quat, he was talking about the site of Vietnam's first oil refinery, about 130 km south of the Danang EPZ, in which the Malaysian national oil company reportedly will jointly hold a 30 percent share with its American counterpart, Conoco.

Oh, is the corporation's third general director since it was licensed on Oct 21, 1993 as a RM60 million joint venture between the Malaysia South-South Corporation consortium and the Quangnam-Danang People's Committee.

Earthworks for 70 hectares of the 120-ha EPZ started in May last year upon securing of compensation agreement while infrastructure works are scheduled for completion by August.

Inevitably, any appraisal of the EPZ's progress thus far is incomplete without due mention to the Sivico factory making decorative candles and understandably so because it is the zone's only Malaysian or foreign investor there at the moment.

Sivico, for Sinaran-Vietnam Company Ltd, will secure a second investment licence next month to increase its original investment capital four-fold. Sinaran is a Sungai Petani-based company.

"If this were an example of what we will be having as we fully develop our EPZ, we do not see the difficulties of overseas investors putting their money in the Danang EPZ," said Oh.

On Feb 7, the second licence will be issued to Sivico to increase its investment capital from US\$1.5 million (RM3.75 million) to US\$5.9 million (RM14.75 million).

"This is most encouraging to the Quangnam-Danang provincial government and it speaks well for the investment climate of central Danang," said Oh.

While foreign investors planning ventures in Vietnam generally complained of the maze of bureaucracy and seemingly endless problems, Oh downplayed them, saying what Sivico had gone through proved otherwise.

"From a historical point of view, it can be said that Sivico's progress from its application of investment licence to its set up, training, production and export is a feat to be lauded," he said.

According to Oh, Sivico set up its plant in early 1995, commissioned the machinery in May and rolled out its first products in the same month.

Between June and December last year, Sivico exported about US\$900,000 (RM2.25 million) worth of products and is projected to sell another US\$5 million (RM12.5) worth this year.

What made Sivico tick, said Oh was the "close co-operation of all parties, the investor's determination and favourable conditions provided by the local officials to accelerate all stages of implementation."

One motivational factor that kept the former military officer excited and enthusiastic about the EPZ is the knowledge that he is associated with Malaysian prime minister Datuk Seri Dr Mahathir Mohamad's vision of Danang as one of Vietnam's future growth centres.

Indeed, the Danang EPZ, the brainchild of both Dr Mahathir and his Vietnamese counterpart Vo Van Kiet, was a result of the Malaysian premier's visit to Vietnam in 1992, Oh said.

"Once more, the vision and foresight of Dr Mahathir becomes reality even in far away Danang," he added. -- BERNAMA