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Mahathir-EPZ

MAHATHIR, VO VAN KIET LAUNCH SECOND M'SIAN EPZ IN VIETNAM

By: Rachman Nordin

HANOI, March 8 (Bernama) -- Prime Minister Datuk Seri Dr Mahathir Mohamad and his Vietnamese counterpart Vo Van Kiet today performed the ground-breaking for the US\$30-million Noi Bai Export Processing Zone (EPZ) here in a ceremony symbolising the increasingly strong ties between Malaysia and Vietnam.

The EPZ, an integrated complex which includes a golf resort and city, was conceived during Dr Mahathir's last visit to Vietnam in 1992.

The ceremony was marked by the celebratory driving of a concrete pile into the ground by a mechanical pile-driver activated by both leaders pressing a remote-control button from a dais.

Dr Mahathir and Kiet then put their respective over-sized signatures on a marble plaque at the EPZ site adjacent to the international airport, 45 km from here.

A large turn-out of Malaysian corporate leaders, foreign businessmen and Vietnamese officials as well as curious villagers from nearby communes gave the ceremony a festive air filled with the sounds of huge Vietnamese drums.

Dr Mahathir said the joint venture underlined the confidence of Malaysian investors in Vietnam and should be the precursor of more such undertakings.

The EPZ proved that support and commitment from the public to private sector and vice-versa were not only desirable but also formed essential ingredients for successful development, he added.

The EPZ is being developed by the Noi Bai Development Corporation, a joint venture between a wholly-owned subsidiary of Kinta Kellas, Vista Spectrum (M) Sdn.Bhd. and the Hanoi Industrial Construction Company.

Kinta Kellas is a member of the Renong Group of Companies which has been involved in Vietnam since 1992.

Dr Mahathir said Malaysia was willing to share with Vietnam its experience in all areas including the economy, commerce, investment, tourism and infrastructure.

He hoped there would be more opportunities for both countries to strengthen bilateral relations.

"I am glad to see that the first component of the project is being implemented and I am convinced that the Noi Bai EPZ will continue to contribute to Vietnam's economic growth," he said.

The Noi Bai EPZ is one of several projects of the Renong Group which Dr Mahathir said had contributed to the social and physical development in countries where they are located.

He was given to understand that the Vietnamese farming households which made way for the Noi Bai EPZ were already enjoying the economic spin-offs from the project.

He hoped to see more Malaysian corporations taking similar initiatives to venture into the dynamic Vietnamese market. Vietnam has a population of 74 million.

He commended Vietnam for coming out into her own and receiving the recognition it deserved and for its impressive Gross Domestic Product (GDP) growth which hit 9.5 percent last year.

Dr Mahathir said: "The most-favoured nation status accorded by the European Union and Canada speaks volumes about Vietnam's success in foreign relations and makes the country especially attractive to investors wishing

to manufacture goods for export."

The lifting of trade sanctions and establishment of diplomatic ties with the United States had also paved the way for the inflow of foreign aid and investments, he added.

"All this, I am happy to say, is expected to propel Vietnam to be the new Asian tiger," he said.

In his speech, Noi Bai Development Corporation chairman Tengku Ahmad Rithauddeen said the EPZ was expected to provide employment for 20,000 workers and generate many spin-offs.

The progress of the first component of the integrated project was very encouraging with 47 enquiries received from international investors including those from Japan, Malaysia and the United States, he added.

The EPZ offered many advantages which would make it one of the premier centres for the promotion of export-oriented activities, he said.

The first phase of 50 hectares is under construction and expected to be ready for occupancy late this year and the remaining by April 1999.

Tengku Rithauddeen acknowledged that the project was not without its share of problems but the corporation was committed to resolving them professionally.

It would seek to rely on the continued commitment and support of the Vietnamese government to ensure completion of the project on schedule, he said.

Malaysia now had the rare distinction of having her companies involved in developing two of Vietnam's six EPZs. Besides Kinta Kellas in the Noi Bai EPZ, the Malaysia South-South Corporation consortium is developing an EPZ in Danang in central Vietnam. -- BERNAMA

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