

THE OFFICIAL GROUND BREAKING CEREMONY OF THE NOI BAI EPZ
HANOI, VIETNAM, 8 MARCH 1996

It is indeed an honour for me to be here today, to officiate the ground breaking ceremony of the Noi Bai Export Processing Zone, the fruit of a joint-venture between a Malaysian and a Vietnamese company. This joint-venture underlines the confidence of Malaysian investors in Vietnam and should be the precursor of more such joint ventures.

2. In 1995, Malaysia was ranked as the seventh largest investor in Vietnam with projects valued at US\$840 million. Malaysians have ventured into many fields including manufacturing, infrastructure development, hotel and tourism and many more. I hope to see more Malaysian corporations taking similar initiatives to venture into the dynamic Vietnamese market.

3. Vietnam is today coming into its own and receiving the recognition it deserves. Its open door policy and economic reforms (Doi Moi) have resulted in GDP growth of between eight and nine percent with decreasing inflation. It is equally impressive to note that GDP growth hit 9.5 percent last year, an indication of the success of Vietnam's pragmatic economic policies.

4. In July 1995, we also saw Vietnam being welcomed as an ASEAN member, opening doors and helping to strengthen cooperation in many areas. I am glad to note that ASEAN's investments form a significant portion of total foreign direct investment (FDI) in Vietnam. Up to the end of November 1995, five ASEAN members have invested US\$3.17 billion in 165 projects in Vietnam, accounting for 17.4 percent of the total Foreign Direct Investment.

5. Meanwhile, the most-favoured nation status accorded by the European Union and Canada speaks clearly 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 the establishment of diplomatic ties with the United States have also paved the way for the inflow of foreign aid and investment. All these, I am happy to say, is expected to propel Vietnam to be a new Asian tiger.

6. Malaysia is willing to share its experiences in all areas including the economy, commerce, investment, tourism, infrastructure and technology with our Vietnamese neighbours. We also hope that there will be more opportunities for us to strengthen bilateral relations.

7. The Renong Group has been involved in Vietnam since 1992 notably in an international class hotel in Hanoi and the integrated Noi Bai project.

8. I am happy to note the progress of Noi Bai Development Corporation, a joint-venture set up by Vista Spectrum (M) Sdn. Bhd, a wholly-owned subsidiary of Kinta Kellas, a member of the Renong Group of Companies and the Hanoi Industrial Construction Company in building and operating the Noi Bai EPZ, Vietnam's sixth Export Processing Zone.

9. The Noi Bai EPZ is one of the Renong Group's many projects which have contributed to the social and physical development in the countries where the projects are located. I understand that the Vietnamese farming households which made way for the EPZ are already enjoying the economic spin-offs from the project.

10. The Noi Bai integrated project which initially comprised the EPZ, Golf Resort and City was conceived during my last visit to Vietnam in 1992. I am happy to see that the first component of the project is being implemented and am convinced that the Noi Bai EPZ will continue to contribute to Vietnam's economic growth. This proves that the support and commitment of both the public and private sectors are not only desirable but forms an essential ingredient for successful development.

11. In fostering and nurturing public-private partnerships to promote development, it is extremely important that both sides be willing to understand and help resolve each other's problems. I am certain that the Vietnamese Government and Renong will work together based on this principle.

12. In conclusion, let me congratulate Noi Bai Development Corporation Limited for their progress in the Noi Bai EPZ project. I wish you all the best in this business venture.