

HCMC Industrial Zones Development and Relocation & Resettlement Situation

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The HCMC Export Processing & Industrial Zones (hereinafter named HEPZA) is the state management organization for export processing and industrial zones located in HCMC. In light of state management, HEPZA is authorized by relevant ministries and the City People Committee (CPC) to carry out “one site gate” management mechanism for all EP & IZs in HCMC.

As of state management issues, environment management is a critical task following HEPZA licensing. We are concerned in manufacturing & processing environment as well as surrounding environment and it is confirmed that this is a very important duty in order to implement state regulations on environment and Decision 76/2002/QD-UB dated July 2, 2002 which referred to the 2 major issues:

1. EP & IZs development status in HCMC
2. Relocation & resettlement of pollution manufacturers to centralized IZs.

1. Export Processing & Industrial Zones development status in HCMC

EP & IZs have been established in HCMC since 1991. Up to date there are 14 EP & IZs with total area of 4000ha located in 8 districts within the City. By July 31, 2003 there have been approximately over 800 investment projects into these EP & IZs (foreign invested projects accounted for 46%) with total investment fund over 1.5 billion US\$ and 12000 billion VND. After 10 years of operations, three (3) IZs are 100% filled, five (5) IZs with 80% and four (4) IZs are 50% filled (see attached list of EP & IZs).

Investment growth rate has achieved above 10% in recent years and technology has improved in terms of electric – electronic, micro-chips, 3D softwares, etc. Due to industrial development rate is growing fast, necessary land shall therefore be made available for development demand of enterprises. Thus expansion of IZs has been considered by infrastructure development companies. Currently, six (6) IZs has been extended over a 1000ha within the city districts and adjacent provinces.

2. Relocation & resettlement of pollution manufacturers to centralized IZs.

The City rehabilitation programs and relocation & resettlement of pollution manufacturers has been specially concerned by the City Authority during the last 10 years along with IZs development. At the time being, in addition to receiving of new investments the City IZs also provide land areas and workshops for relocation of pollution manufacturers as part of city rehabilitation programs and to minimize pollution in community.

In order that the relocation program can be focused and consistently carried out the HCMC PC issued Decision 28 QD-UB relate establishment of Relocation Steering Committee of pollution entities into centralized IZs. The Decision has requested the City relevant agencies and districts to coordinate and implement the city relocation policies by 2004. Investigation 12 out of 22 districts has revealed that more than 2800 are considered as pollution entities. In order to facilitate the relocation and put these enterprises into early operations, the CPC has approved policies that can assist the enterprises relocation in light of request in writing submitted by HEPZA as below:

¹ HCMC PMU of Export Processing & Industrial Zones

1. Budget for IZ Infrastructure development companies:
 - a. Relocation & resettlement (R&C) budget: the CPC shall facilitate and assist infrastructure companies accessing to loan from Commercial Banks free of mortgage for the purposes of R & C works.
 - b. Budget for wastewater treatment plant: the City will assist 100% interest for five (5) IZ infrastructure Companies accessing to a loan of 100 billion VND from Commercial Banks in 5 years for construction of wastewater treatment plants.
 - c. Budget for construction of standard workshops: the City will assist 100% interest for two (2) IZ infrastructure companies accessing to a loan of 30 billion VND from Commercial banks for construction of standard Workshops for the purpose of relocation.

2. The CPC approves in principle that IZs can extent given priorities to receiving of relocated entities. In addition to specific recommendation for IZs mentioned above, the City issued Decision no 81/2002/QD-UB dated July 8, 2002 promulgating “Financial policies for relocation of pollution entities to centralized IZs and/or adjacent areas” and Decision No 08/2003 QD-UB dated January 10, 2003 relating “Decentralization and procedures for implementation of relocation policies for pollution entities in the city”.

Generally, relocation of pollution entities has been consistently carried out. All Entities has been well and truly aware the essential of relocation in order to better treatment of pollution thus enhance production and manufacturing, improvement of technology and works rearrangement, conducting urban new ways of living. Currently, there are entities that have equipped for local treatment of pollution, some have been relocated to IZs and/or specific areas for pollution entities within the city and/or in adjacent areas. It is hoped that with the present progress the city shall basically be able to reinstate and improve the pollution conditions in the residential areas by end of 2004.

In order to properly implement the CPC directives, 123 pollution enterprises of all types including air, noise, wastewater have been relocated to IZs of Le Minh Xuan, Hiep Phuoc, Tan Tao and 30 other enterprises have been received by Le Minh Xuan Industrial Complex.

- Those enterprises which are already equipped with local waste treatment upgrade their treatment equipment prior to connection to centralized treatment of IZ.
- For HEPZA, we have gradually conducted environment management according to state regulations.
- After 1 year implementation of state regulations on environment management for Enterprises in EP & IZs, HEPZA has verified and issued certificates of environment commitments to 116 projects of all types of industrial components: foodstuff, mechanics, garments, electronics, wood, textile, dye etc.
- HEPZA closely carries out monitoring the operations of centralized wastewater treatment plants (such as Tan Thuan, Linh Trung, Le Minh Xuan, Tan Tao EPZs, etc.) to make sure that treated water always meet the requirements (TCVN 5945-1995).
- HEPZA staff closely carry out investigation and supervision of wastewater, air discharged from manufacturers within the IZs.
- HEPZA closely work with Department of Science – Technology – Environment (now Department of Resources - Environment) carrying out supervision and acceptance of environment related issues for enterprises and involved in customers claims in EP & IZs and has basically explained, justified and requested those entities to overcome the problems.
- The PMU has nominated staff to work together with JODC survey team (Japan) from Jan 15, 2003 to March 6, 2003 to check wastewater quality from enterprises operating within IZs (pilot check conducted for Le Minh Xuan and Tan Binh IZ) and has constructed 12 action plans in the coming period.

- The PMU has sent technical experts from the PMU and from IZs to Japan for IZs environment management training. On behalf of the PMU we would like to thank the Government of Japan, Ministry of Economics and Trading & Industry of Japan for their assistance and concerns.
- We have also sent technical staff to closely instruct and guide the Entities related principles and necessary procedures for environment protection in IZ and EPZ, particularly entities involved with wastewater and air discharged.
- In the coming period, HEPZA will continue to undertake management of EPZ and IZs, extended IZs to receive pollution enterprises. Therefore, HEPZA is going to study to apply and implement the 12 action plans which were concluded by JODC after the visit. We are aware that this is a very critical issue in terms of state environment management which we are authorized to undertake and at this seminar/workshop HEPZA is looking forward to assistance from the Government of Japan and other organizations in terms of training, visit, improvement of management skills, environment technical training because at the moment HEPZA is looking after 800 enterprises of different types thus again we need to gain experience and pilot projects. We think that development of “clean industry” is a long term and strategic issue in terms of state management. HEPZA is trying its best to perform the state management functions as assigned by the City People’s Committee.