INDUSTRIAL DEVELOPMENT BANK OF VIETNAM

INVESTMENT OPPORTUNITIES IN VIETNAM

- I -

THE VIETNAMESE INDUSTRY : A FEW REMARKS ON THE PRESENT SITUATION AND FUTURE PROSPECTS.

-o-o-

I. Background : An industry booming during the war.

Since the achievement of independence in 1954, the Republic of Vietnam has enjoyed only a few years of peace. Nearly a decade of endless warfare has left behind extensive damages to the economic resources of the country, severely distorted the economic structure, uprooted millions of Vietnamese civilians and multilated thousands of soldiers and civilians. In short, in most countries, a whole generation of managers, investors, government officials, and workers has enjoyed the environment and climate most favorable to industrial development : Peace. While in Vietnam one whole generation has known only war.

Yet despite this, over 3,000 industries have actually started up here and industry has assumed a greater role in the nation's economic development as evidenced by increase in production of most major industrial products over the last few years. Taking the year 1962 as the base year, the Industrial Production Index has gone from 100 in that year to 245 in 1970 and 251 in 1971. Total capital invested, Labor pool and Sales figures of principal enterprises computed at the end of 1970 as follows :

1) Capital invested : $VN 181 billion ($US equivalent 381.4 million).

2) Machinery equipped: $VN 56 billion ($US equivalent 118.6 million)

3) Number of employees : 120 thousand

4) Total sales : $VN 451 billion ($US equivalent 949 million).

With the aim of promoting investment, the Government has taken every measure to assist and encourage investors in Vietnam. The New Investment Law No. 04/72 promulgated on June 2, 1972 concurrently with the setting up of various institutions such as the National Economic Development Fund (NEDEF), the Industrial Development Bank (IDB) the Investment Service Center (ISC) the National Company for Development of Industrial Zones (SONADEZI), offer examples of conscious efforts directed towards making Vietnam an attractive place for foreign and local investors.

The Vietnamese industry, however, owing to many obstacles caused by the war, is still in its infant stage as compared to the industry of other countries in Asia such as Korea, Taiwan, Singapore, Philippines etc.. The share of the Vietnamese industry in its Gross National Product during the past few years accounts for only 10% to 13% while the share of industry of the above-mentioned Countries in their GNP accounts for 20% to 25%.

II. Future Prospects : A Confidence in its growing potentials.

The war, despite its unfortunate aspects, has also left South Vietnam with good by-products; aspects which are actually an advantage to industrial growth. Industry needs Management knowhow, technical skills, raw materials, capital, labor pools, infrastructure, well-developed domestic markets, and above all an entrepreneurial class willing and able to assume the risks of long-term industrial investment. Vietnam has, or expect shortly to have, most of these factors. We have reasons to be confident in the future prospects of the Vietnamese industry.

Firstly the highly mechanized Vietnamese Armed Forces have been a huge training school specialized in sophisticated techniques and equipment. Moreover, service with the armed forces has given the Vietnamese youth a sense of discipline so important to industrial productivity : punctuality team-work, receiving and following instructions. The soldiers thus trained will be able to adapt themselves more readily to the industrial sector once demobilized.

More Vietnamese have worked and therefore attained training and experience with international contractors in construction and other installations. They can now be classified as skilled or semi-skilled manpower.

Another asset given by the war is the major infrastructure investments made as a part of the war effort for roads, ports, airfields, power generation and telecommunication facilities. Although its objective was largely military, they now serve for developmental purpose. All developing countries are short of capital, and most of them must invest a sizeable part of what is available in expanding their transportation system. Vietnam will need to spend less for this purpose as a result of the previous outlays for these programs.

Secondly, South Vietnam has very great natural resources which have never been properly exploited. Vietnam's forest resources are so little exploited that the damages caused to perhaps 20 per cent of its forest area by the war will not interfere with any foreseable development - the areas not touched by the war will provide all that is needed until the damaged areas are regenerated. The highlands of Vietnam offer a very large opportunity for cattle production. Vietnam's offshore fishery resources have barely been touched. Success seems certain for large scale investments in fishery, agro-based and forest-based industries.

Thirdly, the problem of Management. Only a few years ago, there was no general recognition in Vietnam of Management as a profession, one to be proud of, with its own skills, techniques and standards. Yet, as we all know, no industry is stronger than its Management. This problem has partially been solved by the establishment of the Management Association of Vietnam. In less than four years some 500 Vietnamese Managers have joined it.

As far as Capital needed for industry is concerned, there are at present nearly 30 Commercial banks operating

in Vietnam. The total short-term industrial credits granted by these banks in 1972 alone, amounted to $VN 34 billion. The two financial institutes which grant medium and long-term Loans to industrialists are the Industrial Development Bank of Vietnam and Sofidiv. Both were very active in the past and are certainly looking forward to helping industrialists in all financial matters.

With these favourable aspects and especially with most of the resources still untapped, we now present some attractive Investment opportunities in Vietnam. The following projects are those which will certainly be most profitable.

CONTENT

1. Name of Project : CEMENT PLANT

2. Location : a/ Clinker Mfg Plant in Kiên Lương (Kiên-Giang Province)
b/ Cement grinding and Packing plants in Thu-Duc (suburb of Saigon) and in Can-Tho.

3. Proposed Sponsor : Hatien Cement Company(Government Corporation) or Joint-Venture between the above and foreign investors.

4. Description: It is an expansion project of the Ha-Tien Cement Company, consisting of :

a/ Expansion of the existing Clinker Mfg plant in Kien Luong from 240,000 T/year to 850,000 T/year.

b/ Expansion of the existing cement grinding and packing plant in Thu Duc from 300,000 T/year to 600,000 T/year.

c/ Construction of new cement grinding and packing plant in Can Tho with a production capacity of 300,000 T/year.

5. Objectives: The total demand of cement in Vietnam is about 1,300,000 T/year, and 3/4 of which are consumed in the Southern Part of the Republic of Vietnam The existing production capacity of the Ha Tien Cement Plant is only 300,000 T/year. So there is a need to increase the production capacity to 900,000 T/year to cover the domestic market.

6. Scope of work :
- Preinvestment study : completed
- Planning, construction, etc... : to be carried out.

7. Project cost (estimated) :
US$ 30 million + VN$ 4 billion.

8. Time Required : About 45 months.

9. Phasing of Expenditure :

10. Justification :

- Foreign Exchange Savings : US$ 6 million/year
- Employment for 400-500 persons
- Valorization of the local limestone.

1. Name of Project : FLAT GLASS PLANT
(Fourcault Process)

2. Location : Bien-Hoa Industrial Estate (30Km from Saigon)

3. Proposed Sponsor : Joint-Venture between local and foreign investors

4. Description : The production capacity is 7,000 MT/year
Thickness of glass sheets ranges from 2mm to 5mm.

5. Objectives : The purpose of the project is to produce flat glass to meet the domestic demand (about 5,000 MT/year)
The surplus production (2,000 MT/year)is planned for export.

6. Scope of work : -Local raw materials survey (silica sand, limestone,...):Completed
-Other phases of the project: to be carried out.

7. Time required : 30 months

8. Project cost : US$ 2.4 million + VN$ 400 million.

9. Phasing of Expenditure :

- 1st year : US$ 1 million + VN$ 50 million
- 2nd year : US$ 1 million + VN$ 250 million
- 3rd year : US$ 0.4 million + VN$ 100 million

10. Justification :

- Foreign exchange savings and earnings : US$ 500,000/year
- Employment for 180 persons
- Utilization of local raw materials.

1. Name of project : KRAFT PULP and PAPER from pine wood

2. Location : Tuyên Đức - Phan Rang area

3. Proposed sponsor : Joint-venture between the government agency and foreign investors

4. Description : This project will exploit the present pine forest at Dalat- Tuyen Đức - Lam Đong for the production of unbleached Kraft pulp and paper. The production capacity is 250 T/day.

5. Objectives : The project aims to meet the total domestic demand of Kraft paper (estimated at 24,000 MT in 1980) and to export the 2/3 of its production.

There exists a large market in many Asian countries for paper and pulp, especially pulp with long fibers. The Philippines, Thailand, Malaysia, Singapore, Cambodia, Laos and Indonesia can offer a potential market for this proposed Kraft paper mfg. project.

6. Scope of work :

- Raw materials and facilities survey : Completed
- Other phases : to be carried out.

7. Time required : 4 years

8. Project cost : US$ 23 million + VN$ 3.5 billion.

9. Phasing of Expenditure :

1st year	:	US$	1 million +	VN$	300 million
2nd year	:	US$	8 million +	VN$	800 "
3rd year	:	US$	8 million +	VN$	1,400 "
4th year	:	US$	6 million +	VN$	1,000 "

10. Justification :

- Foreign exchange savings and earnings about US$ 7 million/year.
- Employment for 400 persons.
- Better utilization of local pine wood.

1. Name of Project : SODIUM CHLORIDE FROM SEA WATER BY SOLAR EVAPORATION

2. Location : Ba Ria (Phước Tuy Province)

3. Proposed sponsor :

- Joint-venture between Vietnamese and foreign investors.

4. Description :

The plant capacity is 250,000 MT/year of crude salt from solar ponds and washed undried salt.

The production process is divided into six steps:

a) Concentrating Ponds.
b) Crystallizing Ponds.
c) Product Harvesting.
d) Washing Plant.
e) Stock Piling.
f) Reclaiming.

5. Objectives :

The objective of the project is to establish a modern solar salt plant in Vietnam to produce high quality salt at a cost low enough to be useful to the chemical industry in Vietnam and overseasmarkets (particularly Japan).

6. Scope of work :

- Preinvestment study : completed
- Planning : to be carried out
- Construction : -id-

7. Time Required

The first salt production will be from thirty to thirty-six months after the project starts, depending upon the project schedule and timing in relation to the rainy season.

8. Project cost :

US$ 1,000,000 (Equipment & Spare parts)
VN$ 720,000,000 (Buildings, Site, improvement & Ponds)

9. Phasing of Expenditure :

1st year	: VN$ 672,000,000		
2nd year	: VN$ 34,000,000	+ US$	80,000
3rd year	: VN$ 14,000,000	+ US$	920,000
Total	: VN$ 720,000,000	+ US$	1,000,000

10. Justification :

- Vietnam has all the basic conditions necessary for a modern solar salt industry.
- The potential in-country and export markets (particularly Japan) are large enough for more investments.
- The venture will be highly profitable to investors, repatriation of generated cash is favorable to a foreign investor.
- Recommended position of financing and ownership of the venture is fifty per cent by Vietnamese and fifty percent by foreign investors.

/) ROJECT /) ATA

1. Name of Project : SODA ASH and CAUSTIC SODA from SEA SALT and LIMESTONE.

2. Location : Bà Ria (Phước Tuy Province)

3. Proposed sponsor :

Joint-venture between Vietnamese and foreign investors.

4. Description :

The plant production is 83,300 MT/year of Soda Ash by the Solvay process from salt and limestone and 32,000 MT/year of Caustic Soda by the lime-soda process from soda ash and lime.

The salt is produced from sea water by solar evaporation process in Vietnam. The other raw material, limestone, is produced from natural deposits in the Ha-Tiên area.

5. Objectives :

The purpose of this project is to produce Soda Ash and Caustic Soda, 2 basic raw materials, for local demand in various industries : Glass industry, Chemical industry...

6. Scope of work :

- Preinvestment study : completed
- Planning, construction : to be developed

7. Time required : 2 years.

8. Project cost : US$ 6,500,000 + VN$ 300,000,000

9. Phasing of Expenditure :

1st year	:	VN$ 120,000,000	+	US$ 2,500,000
2nd year	:	VN$ 200,000,000	+	US$ 4,000,000
Total	:	VN$ 360,000,000	+	US$ 6,500,000

10. Justification :
    a) All the necessary raw materials can be made available in Vietnam without imports, except for supplies which include coke, fuel, ammonia and sodium sulfide.
    b) Imports of Soda ash and caustic soda can be elininated thus reducing the US dollar volume of imports into Viet-Nam (about US$ 4,300,000/year).

c) The potential in-country markets for soda ash and caustic soda are large enough to support an economic size plant.

d) The venture will be reasonably profitable to investors on a rather conservative basis.

e) Repatriation of generated cash is favorable to a foreign investor.

1. Name of Project : SAW MILL & WOOD PRESERVING PLANT

2. Location : Bien-Hoa Industrial Estate or in the Central Highland

3. Proposed sponsor : Joint-venture between Vietnamese and foreign investors.

4. Description :

The project requires a log-yard and treatment factory fully equipped with bark stripping, trunk sawing, and treating equipment at a production capacity of 40,000 M3/year (20,000 M3 treated wood and 20,000 M3 of untreated wood)
Sawmill operating 8hrs/day x 300 days/year
Treating plant operating 24hrs/day x 300 days/year.

5. Objectives :

The project aims to lower transportation cost which are very high for transporting logs from forests to log yards to be processed over a distance that some times stretched over hundred kilometers. The chemical treatment of low quality woods of the project renders them insect proof and adequate drying, these woods would become valuable resource. The low quality woods are abundant in Vietnamese forests and very cheap; though colorful, they are rarely used for furniture or decoration.

6. Scop of work :

- Preinvestment study : completed
- Planning, constructions, etc...: to be carried out

7. Time required : about 24 months

8. Project cost : US$ 800,000 + VN$ 250 million.

9. Phasing of Expenditure :

1st year : US$ 300.000 + VN$ 100 million
2nd year : US$ 500.000 + VN$ 150 million

10. Justification :

- Foreign Exchange Savings : US$ 2,620,000
- Employment for 115 persons
- Exploiting the abundant low quality wood resource of the country.
- Possessing export potential

1. Name of project : SHRIMP TRAWLER PROJECT

2. Location : Saigon, Rạch-Giá, Phan-Thiết, Vũng-Tàu

3. Proposed sponsor : Joint-venture between Vietnamese and foreign investors.

4. Description :

It is a new project, consisting of ten 100 Ton shrimp trawlers equipped with finders, slectors, freezing equipment, ... net trawl cable, etc...

5. Objectives :

The project aims to export frozen shrimps to foreign markets. The production capacity is estimated as follows:

10 GT/trip x 30 trips/trawler-year x 10 trawlers= 3,000 GT/year

6. Scope of work :

- Preinvestment study : completed
- Planning, construction, etc.. : to be carried out

7. Project cost : US$ 2 million + VN$ 100 million

8. Time required : 6 months

9. Phasing of Expenditure

10. Justification

- Foreign Exchange Earnings : US$ 7,000,000
- Employment for 114 persons
- Exploiting the local fishery.

1. Name of Project : CANNED FOOD PROCESSING PLANT

2. Location : Bien Hoa Industrial Estate.

3. Proposed sponsor : Joint-venture between Foreign and Vietnamese investors.

4. Description :

The proposed project is planned to produce 20,000,000 cans per year.

5. Objectives :

In the first year of operation, the products will be sold in the domestic market, while overseas markets will be actively explored.

It is anticipated that 20% of the production can be exported in the second year, and 40% or more in the following years of operation.

6. Scope of work

- Preinvestment study : completed
- Planning, construction : to be developed

7. Time required : 2 years

8. Project cost : US$ 1,200,000 + 200,000,000

9. Phasing of Expenditure :

1st year	:	VN$ 70,000,000	+ US$	400,000
2nd year	:	VN$ 130,000,000	+ US$	800,000

10. Justification :

a) Value of import substitution and export earnings is about US$ 2,000,000 per year.

b) The potential domestic and oversea markets for the canned food products are large enough to support an economic size plant.

c) The venture will be reasonably profitable to investors on a rather conservative basis.

1. Name of Project : SUGAR MILL

2. Location : Phan-Rang

3. Proposed Sponsor : Joint-venture between the government agency and foreign investors.

4. Description :

The project is to establish one sugar mill to process 4000 MT/day of sugar cane to produce white sugar.

Thanks to the extended dry season at Phan-Rang, the mill can operate 250 days/year and produce 100,000 MT of white sugar.

5. Objective :

This project aims to cut down the import of raw sugar by producing more sugar from canes to meet the domestic demand.

6. Scope of work :

- Feasibility study and area survey : completed by the Japanese Nippon Koei
- Others phases : to be carried out

7. Time required : 4 years

8. Project cost : US$ 16.5 million + VN$ 2 billion

9. Phasing of Expenditure :

10. Justification. :

- Foreign Exchange Savings : US$ 20 million/year
- Employment for 1,000 persons (sugar mill)
  and 25,000 persons (sugar field)

1. Name of Project : FERTILIZER PLANT

2. Location : Can-Tho or Cam Ranh

3. Proposed Sponsor:

Joint-venture between the Vietnam Fertilizer Industry Company (government corporation) and foreign investors.

4. Description :

The proposed plant has a production capacity of 600 MT/day of ammonia and 1,000 MT/day of urea from imported naptha.

5. Objectives :

The production of this project will substitute the imports that increase greatly year. by year.
The demand of urea is estimated to be

270,000 MT/year in 1975 and
425,000 MT/year in 1980

6. Scope of work

- Preinvestment study : completed
- Other phases : to be carried out

7. Time required : 4 years

8. Project cost : US$ 50 million + VN$ 5 billion

9. Phasing of Expenditure :

10. Justification :

- Foreign Exchange Savings : about US$ 13 million/year
- Support the self-sufficient rice program.

1. Name of Project : CAN MAKING PLANT

2. Location : Saigon - Bien-Hoa area

3. Proposed sponsor: Joint-venture between Vietnamese and foreign investors.

4. Description : The proposed plant has a production capacity of 40 million cans of all types per year.

5. Objectives : The project aims at supporting the local canning industry.

6. Scope of work :

7. Project cost : US$ 1 million + VN$ 200 million

8. Time required : 15 months

9. Phasing of expenditure :

10. Justification :

- To support the local canning industry
- Employment for 80 persons.

1. Name of Project : DRYDOCK

2. Location : Saigon River sides

3. Proposed sponsor: Joint-venture between Vietnamese and foreign investors.

4. Description : The proposed drydock will be fully equipped with sheet working shop, machine shop, foundry, etc.. for repairing annually 40 boats of all types up to 2000 GT.

5. Objectives : This project is proposed to offer adequate repair facilities for the local fishing and cargo fleet which, until now, have to go abroad for repair.

6. Scope of work :

7. Project cost : US$ 2 million + VN$ 500 million

8. Time required : 30 months

9. Phasing of expenditure :

10. Justification :

- Foreign Exchange Savings : US$ 1 million/year
- The large number of steel fishing boats and small cargo vessels in Vietnam is sufficient for a modern drydock to operate in full capacity.

1. Name of Project : CERAMIC TABLEWARE PLANT

2. Location : Bien Hoa Industrial Estate

3. Proposed sponsor: Private sector

4. Description :

Raw materials (quartzite, feldspar, kaolin, clay, talc, lime, dolomite, etc.) are blended in a prescribed ratio, afterwards they are crushed into a fine powder. After moulding, they are dried and fired into products. They are then coloured with inorganic pigments.

The manufacturing process may be summed up as follows :

a) Washing of stony materials
b) Crushing
c) Moulding
d) Drying
e) Glazing
f) Firing
g) Decoration

5. Objectives :

The purpose of the plant is to produce 1,300 MT/year of ceramic tableware for local demand and export markets in neighbouring countries.

6. Scope of work :

- Preinvestment study : to be developed.
- Planning : -id-
- Construction : -id-

7. Time Required : 2 years

8. Project cost : US$ 520,000 + VN$ 100,000,000

9. Phasing of Expenditure :

Year 1st : VN$ 70,000,000 + US$ 120,000
2nd : VN$ 30,000,000 + US$ 400,000

10. Justification :

a) The great part of the raw materials required is available in the country.
b) Domestic manufacture of ceramic tableware contributes to economizing on foreign currency.
c) The local market is potentially large enough to support an economic size plant.

1. Name of Project : COIR-FIBER PROCESSING PLANT

2. Location : My Tho area

3. Proposed sponsor: Joint-venture between Vietnamese and foreign investors

4. Description : The capacity of the plant is :

- 60 tons of bristle fiber/month
- 100 tons of mattress fiber/month
- 100 tons of curled rope/month

Working hours : 24 hrs/day, 25 days/month

5. Objectives : The plant offered here is designed to turn out industrial products from coir-fibers available from coco-husk which are very cheap and until now not fully utilized.

6. Scope of work : under study

7. Time required : 12 months

8. Project costs (estimated)

US$ 215,000 (Equipment, machinery and spare parts)

VN$ 25,000,000 (Building, site,..)

9. Phasing Expenditure

10. Justifications :

- Full-utilization of abundant and cheap coco-husk
- Offering jobs for 100 local labors
- Possessing export potential and foreign exchange savings.

1. Name of Project : FISH MEAL PLANT

2. Location : Important fishing ports

3. Proposed sponsor : Private sector

4. Description : The plant capacity is 5 tons of product/day
Working hours : 8 hrs/day, 300 days/year
The production process is divided into 4 steps :

- Preliminary treatment
- Cooking
- Drying
- Grinding

5. Objective :

The plant is to turn out fish meal used as food for poultry and hogs farming from trash fish which are abundant and cheap in Vietnam. Although there are already a few fish meal plants operating in the country, the consumption still exceeds current production. Each year the Republic of Vietnam has to import a considerable quantity of fish meal for animal husbandry.

6. Scope of work

- Preinvestment study : completed
- Planning and constructions : to be carried out

7. Time required : 12 months

8. Project cost : US$ 200,000 + VN$ 40,000,000

9. Phasing of Expenditure

10. Justification

- Foreign exchange savings : US$ 250,000/year
- Employment for 30 persons
- Substituting import of fish meal

1. Name of project : PRESS MOLDED GLASSWARE PLANT
2. Location : Saigon - Bien-Hoa area
3. Proposed sponsor: Private sector
4. Description : The plant has a production capacity of 10 million pieces/year.
5. Objectives : The product is for local and export markets.
6. Scope of work : to be developed
7. Project cost : US$ 400,000 + VN$ 100 million
8. Time required : 2 years
9. Phasing of expenditure :

   1st year : US$ 200,000 + VN$ 40 million
   2nd year : US$ 200,000 + VN$ 60 million

10. Justification :

- Exploiting the abundant and cheap but high quality local silica sand
- Possessing export potential

1. Name of Project : PLYWOOD PLANT

2. Location : Bien Hoa Industrial Estate

3. Proposed sponsor : Joint-venture between Vietnamese and Foreign Investors

4. Description : The plant is planned to produce 4,000 sheets per day (8 hrs) of plywood(4'x 8'x 4mm) The production process may be summed up as follows :

A) Preparation of Logs
   1- Cutting of Logs
   2- Cooking or steaming

B) Veneer Manufacturing
   1- Veneer Cutting
   2- Green Veneer Clipping
   3- Veneer Drying
   4- Veneer Preparation

C) Manufacture of Plywood
   1- Glue Mixing
   2- Glue Spreading
   3- Pre-pressing
   4- Hot Pressing

D) Finishing
   1- Dimensioning
   2- Sanding
   3- Grading and Inspection

5. Objectives :

The purpose of the project is to establish a Plywood Making Plant for export markets.

6. Scope of Work

- Preinvestment study : to be developed
- Planning : -id-
- Construction : -id-

7. Time required : 2 years

8. Project cost : VN$ 200,000,000 + US$ 1,300,000

9. Phasing Expenditure :

1st year :	VN$ 100,000,000	+ US$	300,000
2nd year :	VN$ 100,000,000	+ US$	1,000,000

10. Justification :

a) The great part of the raw materials required is available in Vietnam.

b) Local manufacture of Plywood contributes to economizing and earning of Foreign Exchange.

c) The potential export market of plywood is large enough to support an economic size plant.

d) The venture will be reasonably profitable on a rather conservative basis.

e) Repatriation of generated cash is favorable to foreign investors.

1. Name of project : CASSAVA STARCH MAKING PLANT

2. Location : Tây Ninh area

3. Proposed sponsor: Private sector

4. Description : The plant has a production capacity of 4,000 MT/year of starch.

5. Objectives : The product is for domestic market (paper, textile, food industries) and even for export.

6. Scope of work

   - Raw materials survey : completed
   - Other phases : to be carried out

7. Time required : 16 months

8. Project cost : US$ 300,000 + VN$ 80 million

9. Phasing of Expenditure :

10. Justification :

    - Exploiting an abundant and cheap cassava
    - Offering jobs to 40 persons (plant)
      1,000 - (plantation)
    - Possessing export potential

1. Name of project : FRUIT JUICE PLANT

2. Location : Bien-Hoa Industrial Estate

3. Proposed sponsor: Private sector

4. Description :

The project is planned to produce 800 kgs/day of concentrated juice or 8 MT/day of natural juice (orange, pineapple, grapefruit, tomato, tangerine, guava etc..)

Process

The production may be summed up as follows :

a) Cleaning
b) Water Heating
c) Peeling and Trimming
d) Juice Extraction
e) Preheating and Cooling
f) Centrifugalization
g) Deacration
h) Vacuum concentration (for concentrated juice)
i) Seasoning
j) Sterilization

5. Objectives :

The purpose of the project is to establish a Fruit Juice Making Plant for the local market.

6. Scope of work

- Preinvestment study: to be developed
- Planning, etc : -id-

7. Time required : 2 years

8. Project cost : US$ 190,000 + VN$ 50,000,000

9. Phasing of Expenditure

1st year : VN$ 30,000,000 + US$ 60,000
2nd year : VN$ 20,000,000 + US$ 130,000

10. Justification :

a) The great part of the raw materials required is available in the country.
b) Domestic manufacture of Fruit Juice contributes to economizing on foreign currency.
c) The potential local market is large enough to support an economic size plant.

1. Name of Project : MATCH PLANT

2. Location : Bien Hoa Industrial Estate

3. Proposed sponsor : Joint-venture between Vietnamese and foreign investors

4. Description : The plant is to produce 144,000 boxes/day 24hrs/day (one box contains 50 matches)

5. Objectives :

There is, now, only one manufacturer in South VN. which only satisfies less than 65% of the domestic demand. Therefore there exists the remaining 35% of local demand to be met. In the 1st year of operation, 80% of the production will be sold to the domestic market. It is anticipated that 30% of the production can be exported in the following years of operation.

6. Scope of work

- Preinvestment study; completed
- Planning, construction : to be carried out

7. Time required : 24 months

8. Project cost (estimated) : US$ 220,000 (equipment) + VN$ 45,000,000(buildings,..)

9. Phasing of expenditure :

10. Justification

- Satisfying the demand for matches in the local market
- Offering jobs to 80 persons
- Possessing export potential
- Earning an estimated amount of foreign exchange : US$ 250,000/year