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7th Vietnam-S'pore industrial park takes off



The project, in Nghe An province, about 400km from Hanoi, is being developed by a joint venture made up of Vietnam's Becamex IDC Corporation and a Singapore consortium, in which Sembcorp has a 92.9 per cent stake. PHOTO: SEMBCORP

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Sembcorp Development held a ground-breaking ceremony for its seventh Vietnam-Singapore Industrial Park (VSIP) yesterday.

The project, which is in Nghe An province, about 400km from Hanoi and 70km from the Laos border, is being developed by a partnership between Vietnam's Becamex IDC Corporation, which has a 49 per cent stake in the joint venture, and a Singapore consortium - in which Sembcorp has a 92.9 per cent stake.

Trade and Industry Minister Lim Hng Kiang, who attended the event with Vietnamese Prime Minister Nguyen Tan Dung, said: "The ceremony serves as testament to the enduring success of this signature initiative between Singapore and Vietnam. The parks have come a long way since

they were first established in 1996 in Binh Duong province by Sembcorp, and its joint venture partner Becamex IDC Corp.

"Since then, strong investment flows and interest from companies from a diverse range of industries have seen the parks flourish and expand, helping to improve the lives of the local community."

The VSIP joint venture received an investment licence in June to develop the first phase of the project, which comprises 198ha of industrial land, and 81ha of commercial and residential land. It will be part of the 750ha VSIP Nghe An, which the joint venture firm plans to develop in tandem with demand.

A Vietnamese company has already committed to building, in the new park, a factory to manufacture bathroom fixtures.

Once the first phase of the new complex has been completed, the total gross area of the seven VSIP projects will comprise 6,153ha.

The VSIPs have attracted US\$7.9 billion (S\$11 billion) in total investment capital to Vietnam from 583 companies, with jobs for 155,355 workers, Sembcorp said.

Equally important as job creation, the industrial parks have evolved to keep pace with Vietnam's aspirations to transform its economy and move up the value chain, said Mr Lim in a speech at the event yesterday.

"From traditional industrial parks, the VSIPs today have become integrated townships attracting higher value-added industries such as pharmaceuticals, consumer products, and precision engineering.

"This demonstrates the positive outcomes when we marry Vietnam's strengths in human resources and industrial land with Singapore's expertise in industrial park management and urban solutions."

The outlook for deepening ties between the two countries is promising, added Mr Lim. Bilateral trade, which doubled over the past decade to reach \$20.4 billion last year, continues to grow. Singapore is Vietnam's third-largest investor and the top investor among Asean countries, with more than US\$32 billion in total investments.

Rennie Whang

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