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Environment

Afforestation joint venture formed in Phu Yen

By Hong Van - The Saigon Times Daily

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HCMM - Truong Thanh Oji Afforestation Co. Ltd. (TTO), a joint venture between Vietnam's Truong Thanh Furniture Corporation and Japanese-owned Oji Paper Co. Ltd., debuted on Wednesday in Phu Yen Province with an aim to develop some 18,000 hectares of material forest in the central province.

Vo Truong Thanh, chairman of the joint venture, said the project will be executed in eight districts, focusing on mountainous areas and helping improve living standards of the poor. TTO has a charter capital of US\$7 million of which the Vietnamese firm holds a 51% stake.

"The joint venture will help Truong Thanh make use of financial capability and afforestation experience of Oji Company, bringing us near to the target of long-term material wood supply for processing and export," Thanh said.

The enterprise earned approval from Phu Yen Province's government to grow nearly 18,000 hectares of forest in 2009 with initial investment capital of VND445 billion. It has grown over 2,200 hectares so far but has now got into trouble due to high lending rates, lack of capital and experience.

"That is why we have sought potential partners to continue the project in Phu Yen Province," Thanh added. The joint venture also has plans to plant 40,000 hectares of forest in the province.

Although the Government has asked local authorities to suspend licensing foreign-invested afforestation projects, it has approved the Oji joint venture.

As one of the leading wood processors in the country, Truong Thanh is speeding up afforestation with 40,000 hectares in Phu Yen, 50,000 hectares in Daklak and 50,000 more hectares in Dak Nong Province.

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