

Vietnam Rubber Group is expanding abroad

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Tapping rubber latex

(VEN) - The Vietnamese government encouraged domestic investors to expand rubber plantations in Laos and Cambodia in the program of economic cooperation with the neighboring countries. The Vietnam Rubber Group (VRG) took the lead in implementing this program, with plans to develop 140 hectare rubber plantations in Laos and Cambodia for the 2011-2015 period, increasing the group's total rubber area up to a half million hectares by 2015.

Rubber expansion

To implement the Vietnamese - Laotian cooperation program for rubber development in Laos, VRG has conducted a survey in early 2005 and established the Viet Lao Rubber JSC (VLR) in Champasak Province, pioneering in the investment and development of foreign rubber plantations. To date, VLR has grown more than 10,000ha rubber plantations with a total investment of more than US\$68 million. In harmony with the company's growth rate, a series of barren hills in Champasak Province have now been covered with rubber trees. Rubber plantations here are probably the best in Southeast Asia with a survival rate of 97 percent.

VLR is exploiting more than 1,600ha and employs more than 2,300 local people. Labor Hero Ho Van Ngung, VLR General Manager, proudly said: "Our rubber plantations in Laos has changed the local appearance and also contributed considerably to the local socioeconomic development." Along with VLR, there are a number of joint stock companies undertaking rubber plantations in Laos including Dau Tieng Viet Lao Rubber JSC with 20,000ha rubber plantations in Champasak, Quasa Geruco JSC with 8,000ha in Savannakhet, Ho Chi Minh City Rubber JSC with 6000 ha, Ha Tinh - Bolykhamxay Rubber Company Limited, and Dien Bien - Bac Lao Rubber Company Limited with 200ha in Oudomxay Province.

Many private companies also participated in rubber plantations in Laos including Hoang Anh Attapeu Agriculture Development Company,

member of the Hoang Anh Gia Lai Group which has invested nearly US\$1 billion in more than 22,000ha rubber plantations plus also constructions of hospitals, schools, and restaurants in Attapeu, Se Kong, and Champasak, attracting thousands of local workers.

17 VRG members is now growing rubber plantations in the provinces of Kompong Thom, Kratie and Ratana Kiri in Cambodia, with total rubber area of nearly 70,000ha, completing 70 percent of the Vietnamese - Cambodian cooperation program for rubber development. Chu Se - Kompong Thom JSC and Tan Bien - Kompong Thom Rubber JSC, two leading member units, have grown nearly 10,000ha.

VLR was the first to build a rubber latex processing plant in Champasak with an annual capacity of 24,000 tonnes in order to implement a closed production cycle of rubber products in Laos. Other members of VRG are also planning to build rubber processing plants near their plantations, which will reduce transport costs, ensure product quality and create more jobs for local workers.

Mutual benefit

Vietnamese investors in rubber plantations in Laos and Cambodia have also improved mutual benefit.

Rubber trees planted in new areas with favorable soil conditions and weather have yielded abundant high quality latex, meeting the Vietnamese investor need for rubber plantation expansion. Chairman of Hoang Anh Gia Lai Group Doan Nguyen Duc said, "We decided to focus on rubber plantations, taking into account the local advantages of good soil, available work force, and increasingly valuable latex, and planned to grow 50,000ha rubber plantations in Laos and Cambodia."

Vietnamese investors have paid adequate attention to the lives of rubber farmers in Laos and Cambodia. Aside from sustainable wages, farmers can have access to services including health care, education and housing. The transfer of rubber cultivation technique to a new generation of farmers in Laos and Cambodia was also significant. Insight into these things, the chance to visit the Vietnamese companies in Laos,

Revolutionary Party General Secretary and President of Lao People's Democratic Republic Choummaly Sayasone visiting Vietnamese rubber companies in Laos said, "These rubber projects have contributed considerably to our socioeconomic development, and also improved the lives of Lao farmers in rubber projected localities in terms of quality."./.

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