

VIETNAM

By a Special Contributor

Vietnam has been worried about a trade "invasion" of the country, with more than one million Chinese motorbikes flooding the market. The major investors in Vietnam are Singapore, Taiwan, Japan, South Korea, Hongkong, China and the US. India announced a major investment of US\$300 million by Oil & Natural Gas Nigam (ONGC) Videsh in an offshore natural gas project. The economic reforms or "Doi Moi", according to Dang Doanh, head of the Central Institute for Economic Management, have reduced poverty levels in the country. On the plea that inequities do not widen because of liberalisation, 65% of an individual's income is taxed. Vietnam has been keen to become a member of the World Trade Organisation since the country's expanding economy requires a large market.

Foreign mining companies doing business in Vietnam have, nevertheless, experienced serious difficulties in negotiating mining agreements because of several grey areas on land use and development rights. The new mining code has allayed some fears and created some confidence in the government's commitment to a market economy, but has not adequately stimulated foreign interest in developing the country's mineral resources. The basic problem is a chaotic administrative structure. Decisions made by the central government in Hanoi are undermined by local bureaucrats. While foreign investors are officially welcomed, ideologues and party politicians undo the good work through state-controlled media, blaming foreigners for inhumane working conditions and other social evils.

Exploration in the past has located over 5,000 mineral deposits including major occurrences of oil, gas, coal, bauxite, rare earths, apatite and small but significant reserves of iron ore,

copper, lead, zinc, titanium, chromite, gold, tin and antimony. Anthracite coal is the chief mineral now exploited, the total reserves being placed at 20,000 Mt (mostly in north Vietnam), of which proved, recoverable deposits are estimated at 3,600 Mt. Vinacoal, the government-owned umbrella organisation which controls all the mines and distributors, has been given extensive areas to explore and exploit, mainly in the north-east province of Quang Ninh where the coal industry is based. Reserves in this area are estimated at around 4,500 Mt. Coal sales in 2000 totalled 11.3 Mt, of which the Vietnam Coal Corp., the major producer, accounted for 10.8 Mt. Exports declined by 90% to 3 Mt, mainly because domestic demand increased by 100,000 t.

There are as many as eight goldfields in the north, in the neighbourhood of Hanoi, and two in the south. National Gold, Silver and Precious Metals Corp., based in Hanoi, processes around 1 t/y of gold. In Bac Thai province in the north, a joint venture between the Russian Geology Federation and Thai Nguyen Colour Metal Co., produces around 150 kg/y of gold.

Vietnam has seven major tin-producing areas with estimated reserves of 85,000 t of metal. Seven antimony occurrences with estimated reserves of 30,000 t are located at Duong Huy-Cam Pha in Quang Ninh Province.

A consortium of US companies has submitted to the Vietnam Steel Corp. a feasibility study for building a US\$360 million direct reduction sponge iron plant. The feasibility study was funded by a US Government grant which marks the first step in the relaxation of the official US attitude towards Vietnam.