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Saigon Exhibition & Convention Centre (SECC) • Ho Chi Minh City, Vietnam

INDUSTRY NEWS UPDATE

City targets minimum growth rate of 10 percent for 2009

Ho Chi Minh City should set itself a growth rate target of at least 10 percent for this year, the city's People's Committee Chairman said Friday at a meeting to set out 2009's socio-economic targets.

The economic growth rate is part of 20 socio-economic and environmental goals the city has to meet to help prevent recession stabilize the macro economy and guarantee social welfare in the country, said city People's Committee Chairman Le Hoang Quan.

Quan requested city authorities to ensure a proper Tet later this month by controlling market prices and minimizing road areas occupied by street barriers.

Officials should solve disputes between employers and workers at industrial zones, export processing zones and try to support workers laid off after their companies shut down or reduced business, he said.

He said small- and medium businesses will create more jobs and the city should help them out of difficulties by quickly implementing the government's instruction about cutting the businesses' income taxes this year and the fourth quarter of last year by 30 percent.

The instruction said that from 2009, businesses in agricultural, forestry, seafood, garment and textile, and electronic component sectors would get 90 percent refund of the value-added tax upon their exports before they submitted all the required documents and the remaining 10 percent upon submission.

For those businesses and all small-and medium enterprises, corporate tax would be waived for the first nine months this year.

Quan also called for simplified refund formalities and reforms in import and export procedures.

He noted that HCMC has got the prime minister's approval to issue VND20 trillion (US\$1.15 billion) worth of bonds, adding that the money will be spent primarily on important construction and production projects, especially in the rural areas.

The city will increase investment in education and training, science and technology, and retrieve land from ineffective projects to build resettlement houses, workers' houses and students' dormitories, Quan said.

Tran Quang Phuong, director of the city Transport Department, promised at the meeting that the city's "backbone traffic network will be finished this year," including the Phu My Bridge connecting District 2 and District 7 and the Thu Thiem Tunnel linking District 1 with District 2.

Work will also start this year on constructing the Sai Gon No.2 and Rach Chiec bridges as well as to expand the National Highway No.13 connecting HCMC and Binh Duong Province, Phuong said.

However he anticipated no major improvement to the city's traffic situation, blaming increasing population and the number of vehicles – presently standing at more than 372,000 cars and 3.7 million motorbikes owned by city residents alone.

Phuong announced that starting this year, the militia will assist traffic police maintain order.

People's Committee Vice Chairwoman Nguyen Thi Hong said at the meeting that district authorities should cooperate with the city tax bureau to enforce the Personal Income Tax Law and solve related problems.

The law, which took effect on Thursday, allows taxpayers a deduction of VND1.6 million (\$95) for each dependent, but the public are still not very clear about who can be considered dependent.

Around two million people in the city will come under purview of the law, Hong estimated.

(Source: Thanh Nien Daily - Ho Chi Minh City, Vietnam, Dated 5th January 2009)