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INDUSTRY NEWS UPDATE

Ho Chi Minh City plans \$2 billion transport projects this year

Ho Chi Minh City plans to spend VND36 trillion (US\$2 billion) on transport projects this year as the government considers boosting construction spending to stimulate economic growth.

The money will be spent on 37 projects, including a new subway line, an underground car park with 2,700 spaces, and highway extensions. Nguyen Huu Chanh, head of planning and investment at the city's Department of Transport, said by phone Thursday. Prime Minister Nguyen Tan Dung is considering the plan, which will mostly be funded by overseas aid, he added.

The city may now be able to proceed with projects that were put on hold last year, as the government's focus moves from fighting inflation to sustaining growth. HCMC, which accounts for a fifth of Vietnam's economy, is vital in the country's battle to avoid the worst of the global recession, Prime Minister Dung said at a December 27 meeting in the city.

Work is due to start this year on a \$1.1 billion metro rail system linking the city center to outlying District 9, Chanh said. The Japan Bank for International Cooperation is providing more than four-fifths of the financing for the 19.7-kilometer project.

(Source: Thanh Nien Daily - Ho Chi Minh City, Vietnam, Dated 9th January 2009)