

**HO CHI MINH NATIONAL ACADEMY OF POLITICS**

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**INDUSTRIAL DEVELOPMENT IN QUANG NAM  
PROVINCE IN THE CURRENT PERIOD**

**SUMMARY OF DOCTORAL THESIS**

**FIELD OF STUDY: ECONOMIC MANAGEMENT**

**CODE: 62 34 04 10**

**HA NOI - 2018**

**THE THESIS WAS COMPLETED AT  
HO CHI MINH NATIONAL ACADEMY OF POLITICS**

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**The thesis shall be defended in front of the Thesis Committee  
At Academy level at Ho Chi Minh National Academy of Politics**

At   hour   date   month   year 2018

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**LIST OF PUBLISHED WORKS**  
**RELATINF TO THE THESIS**

1. Nguyen Quang Thu (2014), "The scenario for industrial development in Quang Nam province", *Journal of Economics and Management*, (11).
2. Nguyen Quang Thu (2014), "Guiding the development of supporting industries in Quang Nam province", *Journal of Economics and Forecasting*, (13).
3. Nguyen Quang Thuy (2014), "Orientation for Quang Nam province's industry sector", *Journal of Economics and Forecasting*, (14).

## INTRODUCTION

### **1. The necessity of the thesis**

Since being separated, Quang Nam province has implemented the planning and developed policies for industrial development, the industry sector of the province has well developed, the proportion of industry increased rapidly, while the proportion of agriculture decreased. The strong development of Quang Nam's industry sector, especially since 2000, not only brought about achievements in this sector but also created a fundamental change in local economic relations. In addition, Quang Nam's industry still reveals many weaknesses: irregular development, unstable growth rate, potential instability, industrial development having not been closely linked with the process of industrialization and modernization of rural agriculture, industrial enterprises having low technological capacity and competitiveness of industrial products in Quang Nam province being limited. All these factors raise the questions of: What are the options for Quang Nam's industrial development in the next stage? What steps will be taken and with what specific policies? Which mechanisms are needed to create the necessary breakthroughs in industrial development in particular and in economic development in general in Quang Nam province? Can the industry sector be able to locate Quang Nam's brand in the country and the region? In the next 10 years, Quang Nam's industry will be known for big enterprises, typical, highly competitive products like Truong Hai automobiles or just for labor-intensive industries with low value added?

Therefore, the topic of " Industrial Development in Quang Nam province the current period" is selected by the author as a doctoral thesis in economics, specializing in economic management in hopes of contributing to propose directions and solutions to develop the industry of the province.

### **2. Research purposes and research tasks**

#### ***2.1. Research purposes***

The research objective of the thesis is to propose a system of solutions for industrial development in Quang Nam to 2020, with a vision until 2030.

## ***2.2. Research tasks***

- Analyzing the research situation related to the topic to clarify the achieved results, agreed points, issues that have not been agreed and studied.
- To systemize the theoretical basis concerning the state management at provincial level in order to develop the industry in the locality.
- To survey on industrial development experiences of some provinces in Vietnam, drawing successful lessons (and those not yet successful).
- To analyze and evaluate the current state of industry and the state of Quang Nam province's industrial development in the province region, drawing on the achievements, limitations and causes of limitations.
- On the basis of limitations and causes, relevant contextual forecasts and new requirements set out, the thesis proposes orientations and solutions for industrial development in Quang Nam province to 2020, with a vision until 2030.

## **3. Research subjects and scope of research**

### ***3.1. Research subjects***

The research subject of the thesis is the activities of the Quang Nam provincial government to develop the industry in the province.

### ***3.2. Research scope***

- Scope of object: The thesis researches industrial development with the implementing object being Quang Nam provincial government, including the People's Council, the People's Provincial Committee and the advising departments, branches and bodies.
- Scope of content: The thesis approaches industrial development from the perspective of state management, focusing on the contents carried out by Quang Nam provincial government for the industrial development of the province.
- Scope of space: The thesis limits the scope of industrial development research on the administrative boundaries of Quang Nam

province. The dissertation will study the development of Quang Nam's industry in the area, including state-owned, non-state owned and foreign-invested enterprises, regardless of economic part. The central industrial enterprises located in the province, enterprises having their head office outside the province but having branches or industrial activities in the province are all studied in the thesis.

- Time range: The contents of industrial development analyzed by the thesis are in the period from 2005 to 2016. The period from 1997-2004 (after the province being separated) was mentioned with appropriate capacity to ensure the logic and systematic nature of the research content. Solutions are proposed for the period from now to 2020, with a vision to 2030.

#### **4. Theoretical bases and research methodology**

The dissertation is based on dialectical materialism and historical materialism methodologies. The thesis uses a traditional approach that goes from the theoretical basis to the situational analysis, thereby proposing a system of directions and solutions. Some specific methods:

**Analytical method:** Analytical method is used in most of the contents of the thesis from the analysis of the research situation, theoretical basis, especially the state management analysis for industrial development in Quang Nam province, to contextual analysis to propose solutions.

**Synthesis method:** The synthesis method is used in the overview of the research situation related to the thesis, synthesizing and systematizing the theoretical basis for state management in order to develop the industry in the province, evaluating the state management in order to develop the industry sector in Quang Nam province.

**Comparative method:** The comparative method is mainly used in Chapter 3 to evaluate the current status of industrial development and state management in order to develop industry in Quang Nam.

**Sociological Survey method:** Survey of 115 enterprises - subjects of provincial state management, with random sample selection.

## **5. New contributions of the thesis**

Firstly: Explained and clarified some basic issues on the basis of industrial development theory at provincial level from the perspective of economic management, with the management and development subjects being provincial government; Identified the four areas of industrial development from the perspective of provincial government management: (i) Developing and implementing industrial development arrangement, plans and policies in the province; (ii) creating a business environment for industrial development in the province; (iii) Promoting and attracting investment in industrial development in the province; (iv) Examining industrial development activities and management of industrial enterprises in the province.

Secondly: Analyzed and assessed the real situation of industry sector and the state of industrial development of the Quang Nam provincial government, clarified the achievements, limitations and causes of limitations as the basis for proposing and suggesting solutions and policies. Apart from objective reasons, some subjective reasons have been pointed out by the thesis including: (i) Limited funding for industrial development in Quang Nam; (ii) Awareness of industrial development of the province at some time in the past has been driven by the number, scale and achievements of growth, leading to the lack of careful planning, evaluation and selection of investors, industry sector and production technology; (iii) State management staff involved in industrial development also have limited knowledge, skills, vision and experience leading to the low quality in arrangement, planning and development of industrial development policies; (iv) The province lacks the courage, determination, enthusiasm in industrial development, not yet transferred the enthusiasm to investors, industrial enterprises. Not yet actively propose a breakthrough mechanism for industrial development of the province.

Thirdly: Based on the contextual analysis and forecast, the thesis proposed a number of solutions for industrial development in Quang Nam in the coming time from the management perspective of the provincial

government, at the same time, also proposed some solutions to develop some key industries of the province, including: (1) Finalizing the planning and development plan of the industry; (2) attracting investment capital for industrial development and raising the efficiency of capital use; (3) perfecting mechanisms and policies for industrial development; (4) human resources development and infrastructure construction; (5) Solutions for technical and technological development; (6) Strengthening the inspection of the implementation of industrial development and management of industrial enterprises; (7) Solutions to develop a number of key industries; (8) Development and improvement of industrial area and clusters.

## **6. Theoretical and practical meanings of the thesis**

- Theoretical meaning: The thesis contributes to the systematization of theoretical basis for industrial development from the perspective of economic management at provincial level.

- Practical meanings: The research results and proposals of the thesis are a valuable reference for the Quang Nam provincial government and other relevant agencies to develop the industry in Quang Nam.

## **7. Structure of the thesis**

Apart from the introduction, conclusion, list of references, the thesis is divided into 4 chapters.



## **CHAPTER 1**

### **OVERVIEW OF RESEARCH SITUATION RELATING TO THE THESIS**

#### **1.1. DOMESTIC AND FOREIGN RESEARCH WORKS ON INDUSTRIAL DEVELOPMENT**

Industrial development, industrialization and modernization are the pathways of most countries to the goal of economic growth and development. Industrialization - modernization of the country is also a major policy of the Party and State. Therefore, the topic of industrial development has been studied for a long time and so far there have been many domestic and foreign studies on industrial development under several different perspectives, approaches, scopes and methodologies. Among them, there are two main research groups related to the approach of the thesis.

Firstly, studies on industrial development at the national level. The research results of this group show that, depending on the conditions and contexts, each country chooses a distinct industrial development strategy. The success of the export-oriented or import-substituting models as well as the constraints of each model are valuable lessons for Vietnam in the selection of strategies, routes and steps in implementing industrialization.

Secondly, studies on industrial development at provincial level. Some of the projects have gone into studying industrial development at the local level, mainly at the provincial level. The researches in this group were carried out on the basis of practical requirements of localities for industrial development in the area. Similar to central-level industrial development studies, provincial industrial development studies also include industrial development studies in general and studies that go into each development content or sub-industry sector. .

## **1.2. PROBLEMS NEED FURTHER STUDYING**

There are various studies on industrial development and most of the content had been mentioned and researched. However, regarding the topic of industrial development, some contents still need to be further researched:

Firstly, selecting national and local industrial development strategies, which industries need to be prioritized, and which industries need development assistance.

Secondly, industry development in localities. At present, there are researches on industrial development of some localities but this is not enough, for some localities there have not been any researches.

Thirdly, the impact of industrial revolution 4.0 in industrial development. This is a new issue so there is not much research yet.

In the current research gap, the author finds that there is a lack of comprehensive systematic research on industrial development in Quang Nam to help propose solutions for successful industrial development in the province. Based on the survey of the author and via the actual situation of industrial development in Quang Nam over the past period, it is necessary to change the contents and approaches of industrial development in accordance with the characteristics and strengths of the locality and the locality, of the South Central Coast region, exploiting the strengths of the region and the locality, while still being in line with the national industrial development orientation. Besides the successes, Quang Nam's industry sector also faces many shortcomings, which if there is no positive and timely solution, will be difficult to overcome in the long term, such as the problem of environmental pollution due to obsolete technology, internal imbalances in the industry sector relative to a modern industrial structure, inadequacies in regional connectivity, regional imbalances, intra-provincial structural disparities .... All of these factors require proper analysis and evaluation.

## **CHAPTER 2**

### **THEORETICAL AND PRACTICE BASIS OF INDUSTRIAL DEVELOPMENT IN THE PROVINCE**

#### **2.1. OVERVIEW OF INDUSTRIAL DEVELOPMENT IN THE PROVINCE**

##### **2.1.1. Concepts of industry and industrial development**

###### ***2.1.1.1. Industry concept***

Industry is an economic sector that produces materials associated with the exploitation and use of resources, processing and manufacturing mineral materials, animals and plants into output products.

###### ***2.1.1.2. Concept of industrial development***

Within a province, in terms of economic management, industrial development in the province is all the activities undertaken by the provincial government to improve both the quantity and quality of the local industry sector.

##### **2.1.2. The role of industry and industrial development**

- The industry produces large amounts of material wealth, meeting the increasing and diverse needs of people.
- The industry supplies materials for production and construction of material bases for other economic sectors.
- Promoting the development of other economic sectors.
- The industry has high productivity and great value added.
- The process of industrial development also makes the production force of the entire economic system to develop.
- On the other hand, industry also ensures the strengthening of national defense capability.

#### **2.2. CONTENTS AND FACTORS AFFECTING THE INDUSTRIAL DEVELOPMENT IN THE PROVINCE**

##### **2.2.1. Content of industrial development in the province**

- Developing and implementing the arrangement, plans and policies for industrial development in the province
- Creating a business environment for industrial development in the province

- Promoting and attracting investment in industrial development in the province

- Examining the industrial development activities and the management of industrial enterprises in the province

### **2.2.2. Factors affecting the industrial development at provincial level**

- Natural and socio-economic conditions of the province

- The legal system related to industrial development

- Strategy, arrangement, planning and policies for national industrial development

- Industrial and socio-economic development of provinces in the region

- The apparatus and the contingent of cadres and civil servants in charge of state management of industrial development of the province

## **2.3. EXPERIENCE IN INDUSTRIAL DEVELOPMENT OF SOME PROVINCES AND LESSONS LEARNED FOR QUANG NAM PROVINCE**

### **2.3.1. Industrial development experiences of some localities**

- Industrial development experience of Dong Nai province

- Vinh Phuc's experience

- Ha Nam's experience

### **2.3.2. Lessons learned for Quang Nam province**

- It is necessary to take the initiative in developing arrangement and plans for industrial development.

- The infrastructure needs to go one step ahead.

- Selecting strategies for industrial development and key industrial branches.

- Creating a favorable business environment.

- Flexibly applying state policies, formulating and promulgating appropriate investment supporting policies.

- In industrial development, attention should be paid to the selection of technologies, investors and priority areas.

## **CHAPTER 3**

### **ACTUAL SITUATION OF INDUSTRIAL DEVELOPMENT IN QUANG NAM PROVINCE**

#### **3.1. NATURAL, SOCIO-ECONOMIC CONDITIONS AFFECTING THE INDUSTRIAL DEVELOPMENT IN QUANG NAM PROVINCE**

##### **3.1.1. Natural and socio-economic conditions of Quang Nam province.**

The thesis analyzed and assessed the general natural and socio-economic conditions of Quang Nam as being generally favorable for the development of Quang Nam industry in the future.

##### **3.1.2. Advantages and disadvantages of Quang Nam in industrial development**

###### **\* Advantages**

- Firstly, Quang Nam has a relatively favorable geographic position with air, road, sea, railway,
- Secondly, thanks to natural conditions and natural resources, Quang Nam has abundant local materials resource.
- Thirdly, the system of socio-economic infrastructure in the past years has been planned, built, upgraded
- Fourthly, Quang Nam is a locality with a studious tradition, with good quality human resources.
- Fifthly, provincial leaders have a strong commitment to socio-economic development in general and to industrial development in particular.

###### **\* Disadvantages**

- Firstly, Quang Nam is located far from the two largest economic centers of the country namely Hanoi and Ho Chi Minh City
- Secondly, the starting point for industrial development in Quang Nam as well as other localities in the region is quite low.
- Thirdly, Quang Nam's terrain is mostly mountainous

- Fourthly, high quality human resources of the province and surrounding areas are limited.

- Fifthly, Quang Nam is located in the area that is frequently affected by natural calamities and storms.

### **3.2. ACTUAL SITUATION OF THE INDUSTRY SECTOR IN QUANG NAM PROVINCE**

#### **3.2.1. Quantity, value and structure of industrial production**

##### Number of industrial establishments

The number of industrial establishments has increased steadily over the years. By the end of 2014, Quang Nam has had 4,222 enterprises operating in the production business, including 4,050 non-state owned enterprises, 96 foreign invested enterprises and 76 local state-owned companies.

The industrial output value (fixed price in 1994) has been growing at an average annual rate of 25.2% per year.

##### Value of the industry production

In the period 2010-2014, the industrial production value (comparative price of 2010) reached an average growth rate of 25.8% per year.

##### Structure of industrial production

Quang Nam's industrial production has shifted towards a gradual reduction of the share of the state sector, correspondingly increasing the share of the non-state sector (private and foreign invested enterprises) .

- Non-state sector: contributing 67.5% of the total industrial production value in 2014. The absolute figure of this sector is VND 6,830.83 billion. This result is partly due to the ownership transfer of equitized SOEs, partly due to the fact that a number of new projects have been put into operation, resulting in high value added.

- State-owned sector. The SOEs contributed 10.8% of the industry value, of which the central SOE sector achieved VND 777 billion and the local SOEs achieved 306.5 billion VND.

- Foreign invested sector accounts for nearly 22% of the industry sector's value. Up to now, this area has had 52 projects in industrial production; the production value in 2014 reached VND 2,216.8 billion.

### **3.2.3. Assets, capital, technology capacity and value added of Quang Nam's industry sector**

- On assets and capital: Fixed assets of Quang Nam's industrial enterprises have high growth rate, reaching 42.37% per year in the period of 2006-2014.

- Technological capacity: Technological capacity of industrial enterprises in Quang Nam is at moderate level, with a combination of advanced, medium and backward technology.

## **3.3. ACTUAL SITUATION OF INDUSTRIAL DEVELOPMENT IN QUANG NAM PROVINCE**

### **3.3.1. The state of construction and implementation of arrangement, plans and policies for industrial development in Quang Nam province**

Quang Nam focused on implementation of arrangement and plans for industrial development by a number of specific measures. The Provincial People's Committee has issued Decision No. 2056 / QD-UBND dated 29-6-2010 on the review and planning of hydropower in Quang Nam province; Decision No. 24/2010 / QD-UBND dated October 15, 2010 promulgating regulations on management of industrial explosive materials in Quang Nam province. The People's Committee of Quang Nam Province has also finalized the project for planning, exploration, exploitation, processing and utilization of minerals in Quang Nam province by 2015, with orientation to 2025, which was approved by the People's Council.

Quang Nam People's Committee and the Department of Industry and Trade are carrying out 03 pilot projects on new energy outside the grid. Up to now, solar cell - Diesel project in Bai Huong village has been checked, handed over and put into use; A Xan hydropower plant project and the hydro-electric project of Ga Ri commune in Tay Giang district are going to be handed over to the People's Committee of the district to be put into use.

With such efforts, Quang Nam industry has good development. By 2014, the province has 8 industrial parks, with a total planning area of industrial zones being 4,032 ha. There are 108 investment projects in the whole province (including 30 foreign investment projects and 78 domestic investment projects) with a total registered capital of around USD 1,313

million and VND 2,192 billion, and about 475 hectares of land-in-use, employing about 25,759 people.

The industrial zones are divided into two groups: Industrial Zones in the Chu Lai Open Economic Zone and Industrial Parks under Quang Nam Industrial Zones Authority. Currently, Quang Nam has had specific planning for industrial parks and industrial clusters.

### **3.3.2. Situation of creating a business environment for industrial development in Quang Nam**

- The province has actively propagandized guidelines and policies related to investment environment of the province (Resolution No. 19 / NQ-CP dated March 18, 2014 of the Government, Resolution No. 4/5/2009 by the Quang Nam Provincial Party Committee, Action Plan No. 2479 / KH-UBND dated 01/7/2014 of the People's Committee of Quang Nam Province on improving the investment and business environment, and enhancing the competitive capacity at provincial level of Quang Nam, Directive No.16 / CT-UBND on 6/8/2015 on further improving the investment environment, raising the competitiveness index of Quang Nam).

- Decision No. 2707 / QĐ-UBND issued on 5/9/2014 on the date of receiving business leaders of the provincial People's Committee.

- Organizing programs and meetings to meet enterprises.

- Building a business support portal.

- Analyzing and evaluating the provincial competitiveness index.

- Promulgating and implementing the "one-stop shop" regulation.

- However, the creation and improvement of the business environment of Quang Nam still has some limitations.

### **3.3.3. Actual situation of promoting investment in industrial development in Quang Nam province**

Firstly, the province developed and implemented preferential policies for investors in the province, firstly tax incentives and land incentives.

Secondly, the province organized propaganda and promotion for investment attraction.



Thirdly, the province also focused on promoting on-the-spot investment through improving the business environment, supporting businesses that have invested in Quang Nam.

Fourthly, to establish the Quang Nam Public Administration and Investment Promotion Center.

Fifthly, organizing investment promotion conferences.

Sixthly, the province has preferential treatment and incentives to invest in specific branches, sectors and areas.

### **3.3.4. Current situation of industrial development and management of industrial enterprises in Quang Nam province.**

The province has examined and sanctioned many companies violating environmental regulations such as penalizing the cassava starch factory of Quang Nam Fococev Joint Stock Company with VND 140 million, Green Hill Company Limited fined VND 85.5 million, sanctioned Phu Phong brick production company, ...

An inspection and supervision plan has been prepared.

Implemented inspection and checking activities as planned and unscheduled, ensuring the set out requirements and objectives.

## **3.4. GENERAL ASSESSMENT ON INDUSTRIAL DEVELOPMENT IN QUANG NAM PROVINCE**

### **3.4.1. Achieved results**

- The planning and adjusting and supplementing the planning for industrial development have been formulated.

- The province has created a favorable and continuously improved investment environment in order to create favorable conditions for industrial enterprises to invest and expand their production and business.

- Promoting and attracting investment in the progressive industry.

- The inspection and control of the violation are concerned.

### **3.3.2. Some limitations**

- The province's industrial development plan is spread out, with no focus.

- The promotion and attraction of investment into the province has not been effective, not yet attracting large enterprises with high technology.

- The industrial investment environment in Quang Nam has improved but not yet very attractive.

- The investment appraisal activity, especially the environmental appraisal and the inspection and management of enterprises, is not strict enough.

- Lack of attractive mechanism to attract high quality human resources to Quang Nam.

- Lack of planning and policies for the development of specific industries, especially the key and spearhead industries of the province.

### **3.3.3. Causes of the limitations**

- The natural and socio-economic conditions of Quang Nam are unfavorable.

- Mechanisms, policies and laws of the State relating to industrial development are inadequate and overlapping, in which the decentralization of powers to the provincial level is still limited so it is not possible to promote the dynamism and creativity at provincial level

- The awareness of industrial development sometimes still focuses on the number, scale and growth rate, leading to the lack of careful consideration, evaluation and selection of investors, industry sector and production technology.

- The state management staff involved in industrial development still have limited knowledge, skills, vision and experience, leading to the quality of the development of arrangement, plans and policies for industrial being low, which in many cases, still be subjective, voluntarist with limited ability to forecast the situation.

**CHAPTER 4**  
**DIRECTION AND SOLUTIONS**  
**FOR INDUSTRIAL DEVELOPMENT OF QUANG NAM**  
**PROVINCE**

**4.1. FORECASTING, OBJECTIVES AND DIRECTIONS FOR INDUSTRIAL DEVELOPMENT IN QUANG NAM PROVINCE**

**4.1.1. Forecasting socio-economic contexts, opportunities and challenges for industrial development in Quang Nam**

***4.1.1.1. Forecast of socio-economic development of Quang Nam and the whole country***

The period from now to 2025 is the period of Vietnam's continued implementation of the socio-economic development strategy 2011-2020 and will follow the Socio-Economic Development Strategy 2021-2030. This is also the period predicted to have significant changes in socio-economic conditions at home and abroad, affecting industrial development in Quang Nam province.

Quang Nam's economy is predicted to continue to grow well with an average GDP growth rate of around 12% per year by 2020. The production capacity of many economic sectors will change positively, social and political situation will still be stabilized, people's life will be improved.

***4.1.1.2. Opportunities and challenges for industrial development in Quang Nam***

Opportunities:

- Quang Nam successfully organized the Investment Promotion Conference in Quang Nam on March 26, 1977 with the participation of the Prime Minister.

- Demand for key products of Quang Nam such as automobiles, food processing has increased rapidly in the past years and is expected to continue increasing sharply.

- Quang Nam has the opportunity to develop the gas and electrification industry.

- Investment and business environment of the province is being improved.

- The success of Truong Hai and Chu Lai Open Economic Zone and other enterprises will lead to the development of many industrial branches.

Challenges:

First of all, Quang Nam in particular and the Central Vietnam in general are still areas with difficult socio-economic conditions.

Secondly, the domestic automobile assembling and manufacturing industry faces intense competition.

Thirdly, in the key economic region of Central Vietnam, Quang Nam also has to compete with other localities.

#### **4.1.2. Objectives of industrial development in Quang Nam province**

To mobilize all resources to ensure a fast and sustainable industrial production in order to accelerate the economic restructuring of the province along the direction of fast development of industry and services sectors, bringing Quang Nam to a good level in the Central Vietnam region to become a modern industrial province in 2020.

To concentrate investment on the development of a number of important industries with advanced and modern technologies, saving resources and raw materials in order to create key and spearhead industrial products with high quality and great competitive advantages, having a high technological content and value added, contribute significantly to the State budget, employing many workers with export products and are friendly with the environment.

#### **4.1.3. Orientation for Quang Nam's industrial development to 2025, with a vision to 2030**

Firstly, to continue to identify industrial development as a driving force for Quang Nam's socio-economic development until 2020.

Secondly, sustainable industrial development.

Thirdly, the formation of regional industry centers, coupled with advantages and resources of each region to prioritize development.

Fourthly, mobilizing capital from many sources to invest in industrial development and industrial clusters, residential areas, satellite urban areas for industry.

Fifthly, prioritizing the development of energy industry and hi-tech industries.

Sixthly, attaching industrial development orientation to other sectors.

## **4.2. SOLUTIONS FOR INDUSTRIAL DEVELOPMENT IN QUANG NAM PROVINCE TO 2025, WITH A VISION UNTIL 2030**

### **4.2.1. Completing the arrangement and plans for industrial development**

The finalization of the arrangement and plans for industrial development in Quang Nam in the coming time needs to identify key industries which have dominant position in many national economic branches and products to meet the specially essential demand of the national people.

### **4.2.2. To attract investment capital for industrial development and to raise the efficiency of capital use**

\* State budget capital:

Firstly, to actively exploit the central investment capital in the province.

Secondly, to save on regular expenditures, to supplement the local budget for development investment.

Thirdly, to use reasonably and effectively source of targeted program funds and central-supported funds.

Fourthly, to exploit local resources, including state investment credit, investment capital from enterprises and residents, and capital from foreign invested sector.

### **4.2.3. To perfect mechanisms and policies for industrial development**

- Adjusting and supplementing preferential mechanisms and policies for projects that need investment encouragement
- To develop and improve policies to support the development of supporting industries
- To promulgate policies on housing support for laborers working in industrial parks and clusters
- There should be a specific policy for the Automobile Mechanic Center

### **4.2.4. Human resources development and infrastructure construction**

Firstly, the solutions for vocational training: (1) Planning and developing the network of vocational schools to ensure the ability to train technical workers according to development requirements; (2) Promoting the socialization of vocational training; (3) Forecasting technical labor demand in each period.

Secondly, to improve the efficiency of human resource use

Thirdly, attracting qualified human resources into Quang Nam

Fourthly, constructing infrastructure for industrial development

### **4.2.5. Solutions of technical and technology development**

- Promoting research and transfer of science and technology.
- Expanding international cooperation on science and technology.
- Providing information.
- The provincial government of Quang Nam should have more specific policies to encourage technological innovation.
- Industrial establishments need to invest more in technological and technical renovation.
- To develop the market of scientific and technological services.

- Enhancing the inspection and examination of technological standards for industrial establishments.

#### **4.2.6. Strengthening the inspection of the implementation of industrial development activities and management of industrial enterprises**

- Firstly, strictly implement Decision No. 2298 / QD-UBND dated 26/7/2013 on "Approving the adjustment and supplement of master plan for industrial development – small scale industries in Quang Nam to 2020, with a view until 2025".

- Secondly, to build a contingent of capable and knowledgeable cadres for effective management.

- Thirdly, to promote the propaganda

- Fourthly, to create a favourable investment, production and business environment.

- Fifthly, to strengthen the state management of the environment in Quang Nam's industrial development.

#### **4.2.7. Solutions to develop a number of key industries**

- Mechanical industry: To develop the mechanical industry along the direction of specialization, cooperation and coordination with foreign countries in order to step by step manufacture from parts to the whole sets of equipment for main agricultural products processing industry, serving the industrialization and modernization objectives of rural areas and the agriculture.

- Manufacturing and assembly of automobiles. In the coming time, it is necessary to promote the establishment of the Automobile Mechanical Industry Center in Chu Lai Open Economic Zone. To encourage enterprises producing and assembling automobiles to invest in completed production lines and to apply new technologies, participating in the development of supporting products and increasing the localization rate.

- Textile and garment-footwear industry: It is necessary to invest in supporting industries, knitting, yarn making, imitation leather production, textiles and garments production, import substitutes and step by step export textile and garment products to traditional markets.

- Agro-forestry-fishery product processing, food and beverage industries: To form large-scale agricultural, forestry and fishery production areas in service of the processing and export industries.

- Building materials producing industry: For this industry, it is necessary to continue diversifying products, with priority given to high quality products for export markets.

- High-tech industry: It is necessary to continue to apply measures to encourage investment and expand the existing production lines.

- Handicrafts and trade villages: To promote the support and training of management, vocational training, improvement of models and packages, raising the quality of cottage industrial and handicraft products for domestic consumption and export. (especially on-the-spot export).

- Mining industry: Priority is given to investment in plants processing minerals into products.

- Electricity production and distribution: Focusing on mobilizing all capital sources at home and abroad to build and speed up the completion of hydropower projects.

- Supporting industries: To perfect the planning of specialized industrial parks and clusters, giving priority to the automobile engineering industry.

#### **4.2.8. To develop and perfect industrial zones and clusters**

In the period up to 2020 and 2025, it will expand the existing areas and upgrade some new zones (from clusters) to subdivisions and clusters with the aim of developing rural area's industrial sectors, serving the relocation process of industrial production establishments.



### **4.3. SOME RECOMMENDATIONS**

- At the central level: (1) To adopt preferential financial and budgetary mechanisms, to increase the central budget for infrastructure development in industrial parks and clusters; (2) Encouraging groups and corporations to directly invest and lead FDI inflows into key projects; (3) Promoting decentralization of investment decision to the province.

- To propose to the Government policies to support the development and transfer of science and technology.

- Proposing the Ministry of Industry and Trade: (1) To adopt specific mechanisms and policies for each region and locality for use in industrial development; (2) to concern and direct affiliated corporations, and at the same time to coordinate and influence the concerned ministries and branches to create favorable conditions for early launching of large-scale projects in Quang Nam province such as Gas projects.

- Recommendations for the development of raw material areas: The State is to create maximum advantages in land allocation and loans with preferential interest rates without collateral for households planting raw materials, raising aquaculture, ...

## CONCLUSION

Over time, Quang Nam province has been located on the map of Vietnam's industry sector with the automobile and components manufacturing industry. However, the industrial development of Quang Nam is still limited and facing many difficulties. Therefore, the research purpose of the thesis is through analysis and assessment of the current situation, proposing solutions to develop the industry sector in Quang Nam to 2025, with a vision until 2030.

To achieve that objective, the thesis performed the following tasks:

1. Systematizing theoretical foundations and practical experiences in local industrial development at provincial level. The thesis clarified the content and factors affecting the industrial development in the province, drawing lessons learned from the practices of the localities.

2. Analyzing, evaluating and clarifying the industrial situation of Quang Nam province for the period 2005-2016, focusing on the 2009-2014 period and the current situation of industrial development of the Quang Nam provincial government, drawing out the results achieved, limitations and causes of limitations in industrial development of the province.

4. Proposing orientations and solutions to develop Quang Nam's industry sector to 2025 with a vision to 2030.

Over the past years, Quang Nam province has had a quite suitable arrangement, plans and policies for industrial development, improved investment and business environment, with policies to attract investment into the province. As a result, the industry of the province has developed rapidly, and has established a number of locally-based, nationally competitive industries. Besides the achievements, the development of Quang Nam's industry sector still has some limitations due to both objective and subjective reasons. Based on the analysis and forecast of the context, opportunities and challenges in the coming time, the thesis has

proposed 8 groups of solutions and some recommendations for industrial development in Quang Nam province to 2025, with a vision to 2030. The author believes that the proposed solutions are feasible and can create new momentum for industrial development of the province if applied.