BEZ Assessment of PRC and Vietnam Border Crossing Area:

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Hekou-Lao Cai

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|  | Strengths | Drawbacks |
| Cross Border Trade  ----------------------🡪  1 2 3 4 5 | Existing cross border economic zone (CBEZ) of 21 sq. km (11 sq. km. Hekou and 11 sq. km. Lao Cai).  \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_  Seafood/tropical fruits, citizen trader is growing | Slow to develop with lack of high level agreements and no Common Customs Area.  \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_  Needs cold chain facilities and improved citizen trader infrastructure with banking services on both sides |
| Transport & Logistics  ---------------------🡪  1 2 3 4 5 | Second bridge will reduce congestion  \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_  Both sides have logistics and transport master plans  \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_  Railway potential, especially for moving bulk cargo | Lao Cai needs roads from logistics areas to corridors  \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_  Needs coordination and collaboration mechanisms  \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_  Slow process to agree and construct |
| Border Economic Zone Potential  ---------------------🡪  1 2 3 4 5 | Integration of Kim Thanh commercial area with Hekou  Kim Thanh “satellite city” for workers with services  Three Chinese factories in area and Lao Cai IZ plans | Depends on new bridge and connecting roads  Funding is uncertain  “Open bridge” agreement needed & labor policies |
| Public Private Dialogue  ---------------------🡪  1 2 3 4 5 | Informal cross-border meetings twice a year/workshops  \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_  Lao Cai Economic Zone Management Board/Provincial Committee and Kunming Energy Investment Logistics Co | Not solving problems jointly/ implement master plans  \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_  Potential national coordination mechanisms to localize/harmonize. Needs more details of results. |

Pingxiang-Dong Dang/Lang Son

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|  | Strengths | Drawbacks |
| Cross Border Trade  ----------------------🡪  1 2 3 4 5 | Designated cross border economic zone (CBEZ) of 8 sq. km. Pingxiang and 11 sq. km. Dong Dang/Lang Song).  \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_  Industrial cluster in wine industry, China auto assembly plant, Foxconn production between two borders | Slow to develop on Vietnam side and for funding.  \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_  Benefits will be limited until congestion is reduced by constructing new roads and dedicated freight tunnel. |
| Transport & Logistics  ---------------------🡪  1 2 3 4 5 | Pingxiang logistics and rural road plans are advancing  \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_  Plans for 22 km road from Lang Son to Dong Dang, highway from Dong Dang to Hanoi and Dong Dang-Hanoi railway upgrade to align with the new Huu Ngi border gate facilities. | Uneven development in Dong Dang/Lang Son  \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_  Cross border congestion will hinder growth and limit investments in BEZ until these roads and tunnel are completed. |
| Border Economic Zone Potential  ---------------------🡪  1 2 3 4 5 | Puzhai-Xinqing Pilot Area advancing to one large China-Vietnam Free Trade Area with potential for clusters with Vietnam in livestock, herbal medicine, fruit processing, forestry and rubber industries.  \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_  Implementing the ADB GZAR multi-tranche financing facility for SMEs, infrastructure and services | Master Planning needs public and private consultation mechanisms at national BEZ and CBEZ levels in order for both cross border towns to benefit  \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_  Ensuring the “spillover effects” benefit Vietnam |
| Public Private Dialogue  ---------------------🡪  1 2 3 4 5 | Vietnam Decisions 1012 and 200 list the need for public and private consultation mechanisms.  \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_  Guangxi sent Vietnam leaders their master plan for BEZ development in 2015. Vietnam replied in July 2017 | Ensuring long term implementation of the public and private national and cross border institutions.  \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_  No mechanisms are functioning well on either side of the border in national or cross border consultations. |

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Dongxing-Mong Cai

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|  | Strengths | Drawbacks |
| Cross Border Trade  ----------------------🡪  1 2 3 4 5 | CBEZ demonstration area on 1,300 hectares of 10 sq. km Dongxing/13 sq. km. Mong Cai. \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_  Hai Ha industry and seaport area with shrimp farms and Mong Cai textile industry investments as well as from active citizen traders on both sides of the border | Lack of agreement on tax regime and needs common customs area.  \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_  Mong Cai needs more funds to improve infrastructures to support the growing demand on services and implement master plans. |
| Transport & Logistics  ---------------------🡪  1 2 3 4 5 | Major advantage of sea and land border gates and rail, river and air connections.  \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_  Both sides have logistics and transport master plans  \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_  Railway access to Fangchengang for fruit markets | Mong Cai hindered until 30 km east-west road, second Beilun bridge/road and floating dock  \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_  Needs coordination and collaboration mechanisms  \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_  Mong Cai improving refrigeration capacity |
| Border Economic Zone Potential  ---------------------🡪  1 2 3 4 5 | Agriculture, industry, seafood and eco-tourism/beaches  Dongxing “1+7” BEZ plans to ASEAN markets  Border Citizens Trade Area construction in Dongxing. | Depends on agreements in inspections, taxes, labor  Align with Mong Cai for synergies/infrastructure.  Lack of similar development in Mong Cai |
| Public Private Dialogue  ---------------------🡪  1 2 3 4 5 | Informal meetings at national and cross border  \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_­­\_  Border Management Board Mong Cai at local and provincial meet on daily management. Quang Ninh CPC meet once/year with Dongxing on corridor projects. | Not solving problems jointly/ implement master plans  \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_  Despite some form of regular meetings there is poor communication of information by central governments to the border areas hindering progress. |