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 HekouKim Thanh “satellite city” for workers with servicesThree Chinese factories in area and Lao Cai IZ plans | Depends on new bridge and connecting roadsFunding 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/beachesDongxing “1+7” BEZ plans to ASEAN marketsBorder Citizens Trade Area construction in Dongxing. | Depends on agreements in inspections, taxes, laborAlign 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. |