

Forestry

Vietnam's forest industry has traditionally played an important role in Vietnam's agricultural economy; however, the industry's growth over the last 30 years has been restricted due to such factors as the residual effects of wartime herbicide (Agent orange), slash and burn techniques, fuel demands for a rapidly growing population, and the unrestricted use of timber for construction.

In 1943, 44 percent of Vietnam was forested. In 1992, less than 25 percent of Vietnam was forested. Forestry's share of industrial production has been on the decline and is forcing the Vietnamese to expand their logging practices into Laos and Cambodia.

Vietnam's forestry products include aloewood, bamboo, cinnamon, lacquer, resins, and quinine. Over 50 percent of Vietnam's forestry products go to socialist countries; however, exports to socialist countries are on the decline, while the balance is increasing to Thailand, Japan, Taiwan, Indonesia and Singapore.

As a response to the declining forestry resources in Vietnam, the National Conservation Strategy was introduced in 1985 giving reforestation top priority for ecological reconstruction. Uncertain plans to implement the conservation strategy in the absence of regulations and monitoring controls will remain an obstacle to sustainable development.

Large amounts of capital investment and a consistent conservation policy are required in order for forestry to contribute to the country's development. One of the industry's biggest obstacles is wastage with only 20 percent of the tree being utilized once it is cut down. Wastage also occurs during transport and storage. The industry's main requirements are equipment and technology to process wood, management expertise, technology transfer, and training.

In summary, Vietnam will depend on the **agriculture, fisheries, and forestry** sectors for much of its future economic development. Areas where Canadian firms can contribute include:

- Improvement of production techniques.
- Development of fruit orchards for domestic and export sale.
- Freshwater fish-raising facilities.
- Importation of pig breeding stock to improve domestic herds.
- Aquaculture.
- Rubber processing facilities.
- Crop drying facilities in processing mills.
- Processing facilities for starch and noodles from root crops.
- Upgrading and expansion of facilities for soybean processing such as beancurd and milk.
- Upgrading and expansion of wood processing facilities.
- Improvement of pest control programs for storage facilities.
- Land and water development such as irrigation extension programs.
- Small-scale farm equipment, post-harvest processing, and storage.
- Training in the marketing of agricultural products.

TRANSPORTATION AND COMMUNICATIONS

The development of Vietnam's infrastructure is one of the government's main objectives under its 1991-1995 Five-Year Development Plan. Due to the economic hardship endured after the war with the US and the ensuing financial constraints imposed by the International Financial Institutions, there was no funding for large transportation projects. As a result, infrastructure development