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Hanoi, June 17, 2011

DECISION

APPROVING THE MASTER PLAN FOR PLASTIC INDUSTRIAL DEVELOPMENT BY 2020, WITH A VISION TO 2030

MINISTER OF INDUSTRY AND TRADE

Pursuant to Decree No. 189/2007/ND-CP dated December 27, 2007 of the Government defining the functions, tasks, powers and organizational structure of the Ministry of Industry and Trade;
Pursuant to Decree No. 92/2006/ND-CP of September 7, 2006 and Decree No. 04/2008/ND-CP dated January 11, 2008 of the Government amending and supplementing a number of articles of Decree No. 92/2006/ND-CP on establishment, approval and management of master plan of socio-economic development;

At the request of the Director Department of Light Industry,

DECISION:

Article 1. Approving the master plan for plastic industrial development by 2020, with a vision to 2030

1. Development viewpoint

- a) Development of Vietnam plastic industry in accordance with social – economic development of the country and developmental trend of the world in order to satisfy the domestic needs of the processing, manufacturing and defense industries;
- b) Development of Vietnam Plastics Industry bases on potentials and strengths of each region and each province, creating the balanced development between regions, while creating cooperation and support promotion harmonious development with other industries.
- c) Development of Vietnam Plastics industry towards specialization and modernization, creating higher labor productivity, growth focused on quality and added value of industrial production.
- d) Development of Vietnam Plastics Industry ensures the effectiveness, stability and sustainability associated with environmental and ecological protection.

2. Development objectives

2.1. General development

- Develop Vietnam Plastics industry to be a powerful economic sector with high growth and sustainability. Gradually build and develop synchronously Plastics industry from production of raw materials to final product processing, plastic scrap handling and processing of raw materials, increase the proportion of domestic raw materials to become the autonomy industry, be able to firmly integrated into the regional and world economy.

- Develop Vietnam Plastics industry to be an innovative industry which produce high quality products, diversification of types and models, with highly competitive, environmentally friendly, meeting most needs of the local market, capable of exporting the products with high added value with the increasing production, to developing Vietnam Plastics industry on par with the region and the world.

2.2. Specific target

- The value of Plastics products at constant prices 1994 in 2015 is 78,500 billion, in 2020 is 181 577 billion and in 2025 reaches 390.000 billion. The growth rate of industrial production value

period 2011 - 2015 to reach 17.56%; the period 2016 - 2020 to reach 18.26% and the period from 2021 to 2025 reached 16.52%.

- Added value calculated by the plastic industry in 1994 to 2015 reached 10 908 billion, by 2020, 19 319 billion, and by 2025 reached 32 274 billion. The growth rate of the period 2011 - 2015 to reach 12.75%; the period 2016 - 2020 to reach 12.11% and the period from 2021 to 2025 reached 10.81%;

- Strive proportion of Plastic industry in the overall industry reached 5.0% in 2015, 5.5% up to 2010 and 2025 to reach 6.0%.

- Restructure the group plastic products towards reducing the proportion of plastic packaging products group and household plastics group, increasing the proportion of construction materials and engineering plastics group. Objective 2015 plastic packaging products group accounted for 36%; 20% of household plastic; Plastic building materials 23% and 21% of engineering plastics. In 2020 the proportion of the respective product groups is 34.0%; 18.0%; 25.0% and 23%. By 2025 the proportion of the respective product group was 31.0%; 17.0%; 27.0% and 25.0%.

- Production of plastic industry in 2015 reached 7.5 million tons, by 2020, 12.5 million tons.

- Export turnover in 2015 reached USD 2.15 billion, to \$ 4.3 billion in 2020. The growth rate of the period 2011 - 2015 reached 15.43%; the period 2016 - 2020 reached 14.87%.

3. Development orientation

a) Development of Vietnam Plastics industry towards modernization, enhance automation, gradually eliminate old technology and equipment, replaced with advanced and modern equipment, using new material and technology to ensure the quality, safety, hygiene and meet Vietnam and international environmental standards.

b) Investments in developing plastic industry focus on advanced technology, clean technology, energy savings to create high-quality products, with high added value, low cost, able to compete in both local and foreign markets, ensure the ecological environment.

c) Mobilizing all domestic and foreign investment focused on factories producing raw materials, semi-finished products, chemicals, additives for plastic industry. Besides, encouraging investment on mold manufacturing, spare parts and equipment for the plastic industry, encourage developing industrial waste processing, waste plastic industry.

4. Development plan

a) Planning to develop Plastics industry following groups of product:

To achieve the objectives of industrial value, volume and structure of the group of products, plastic industry invest stage by stage as follows:

The period 2011 - 2015:

- Invest in new construction and expanding capacity of existing production facilities for packaging plastics production increased 1.218 million tons. The total expected investment is 13,885 billion.

- Invest in new construction and expanding capacity of existing production facilities for construction materials plastics production rose 927 000 tons. The total expected investment is 7898 billion.

- Invest in new construction and expanding capacity of existing production facilities for household plastic products increases 702 000 tons. The total expected investment is 6,571 billion VND.

- Invest in new construction and expanding capacity of existing production facilities for additional techniques plastic product increases 853 000 tons. The total expected investment is 15,354 billion.

The period 2016 - 2020:

- Invest in new construction and expanding capacity of existing production facilities for packaging plastics production increased 1,550,000 tons. The total expected investment is 15,810 billion.
- Invest in new construction and expanding capacity of existing production facilities for construction materials plastics production rose 1.4 million tons. The total expected investment is 10,752 billion.
- Invest in new construction and expanding capacity of existing production facilities for household plastic products increases 750,000 tons. The total expected investment is 6480 billion.
- Invest in new construction and expanding capacity of existing production facilities for additional techniques plastic product increases 1.3 million tons. The total expected investment is 20,280 billion.

b) Development planning materials, chemical additives for plastic industry

In 2011- 2015 period:

Investment in construction of the factories of plastic raw materials PE, PS resin, melamine resin. (Details in Appendix 1 attached to this Decision).

In 2016 - 2020 period:

Investment in construction of the factories of polyvinyl chloride resins E (PVC - E), PE, PS plastic, PP. (Details in Appendix 1 attached to this Decision).

c) Planning the development of mechanical equipment and molds for plastic industry

In 2011 - 2015 period:

Building 01 mold manufacturing plant in the North and 02 factories in the south, a total investment of 5 million US dollars / 01 plants. (Details in Annex 2 to this Decision).

In 2016 - 2020 period:

- Construction 03 mold manufacturing plants in the North and 05 factories in the south, a total investment of \$ 5 million is expected / 01 plants. (Details in Annex 2 to this Decision).
- Construction of 02 factories manufacturing equipment for a total expected investment of \$ 50 million / 01 plant. (Details in Annex 2 to this Decision).

d) Planning recycled plastic scrap:

In 2011 - 2015 period:

- Construction of 01 recycling plant in the north of plastic scrap.
- Building 01 Industrial Area Treatment and recycling of plastic scrap in the South.
- Call for investment 01 scrap recycling plant in southern plastic.

Detailed in Appendix 3 to this decision.

In 2016 - 2020 period:

- Call for investment (or extension) 01 scrap recycling facilities for plastic in the North.
- Call for investment (or extension) 01 scrap recycling facilities for plastic in the South.

Detailed in Appendix 3 to this decision.

e) Spatial planning

Zoning Development: Planning on spatial distribution of plastic industry based on the following requirements:

- Turn around three centers of the three regions: North, Central and South;
- Associated with market produce products in order to save transportation costs;
- Increasing investment in new areas of the market, but no production;
- Fitted with three plastic material areas: Nghi Son and Dung Quat and Ba Ria - Vung Tau;

- Focus on the industrial zone specialized in plastic or other industrial zones to reduce service costs, strengthen mutual support and minimize environmental pollution.

Product structure in three domains:

- By 2015, the structure of plastic products according to the following three regions: North proportion of 14.8%; 2.7% Central and South 82.5%.
- By 2020, the structure of plastic products on 03 main areas corresponding proportions of 16.6%; 3.1% and 80.3%.

5. The need for investment

Total investment demand is 175 530 billion, of which:

The period 2011 - 2015 is 88 624 billion, including:

- Demand for investment projects on production of plastic products is 43 708 billion.
- Demand for investment projects on production of materials plastic products is 16,600 billion.
- Demand for investment projects on mechanical engineering equipment manufacturing and plastic molds is 300 billion.
- Demand for investment projects on recycling plastic scrap is 2.600 billion

The period 2016 - 2020 is 152 442 billion, including:

- Demand for investment projects on production of plastic products 53 322 billion.
- Demand for investment projects on production of plastic materials is 55,000 billion.
- Demand for investment projects on mechanical engineering equipment manufacturing and plastic molds is 2.800 billion.
- Demand for investment projects Recycling plastic scrap is 1.200 billion

6. Solutions and policies

a) The main solutions

Capital solutions:

- Mobilization and effective use of investment funds such as equity capital of enterprises, local credit loans, venture capital affiliate, preferential loans from the Government and foreign investment funds.

Cumulative capital of the enterprise is expected to meet about 28-30% of the demand for capital (49 148 billion), the investment focus for new construction or expansion of production, technological innovation, human resource development revenue increases.

Domestic credit loans is estimated at 24 574 billion (12-14%).

Calling venture capital sources with the Corporation, the Corporation is estimated at 31 595 billion (18-20%) and capital calls from foreign investors is estimated at 52 659 billion (30 - 32%), focused on building new production projects to shift products serving the industrial investment and building (such as plastic construction and engineering plastics), projects production of raw materials plastics, mechanical equipment and molds, the project recycled plastic scrap.

Concessional loans of the Government are expected to mobilize about 17,553 billion VND (10-12%), investment focused primarily on development projects with raw materials (from the petrochemical plant)...

- Encourage domestic investors to invest abroad as well as financial, gray matter in the production of spare parts for spare parts and other components must be imported by the plant went into operation or are Investment plan.
- Research to support the investment fund developed to coordinate and provide funding for priority projects.

Market solutions:

For the domestic market:

- Strengthen the quality inspection of goods imported and circulated on the domestic market to combat contraband, shoddy goods, in order to protect the interests of consumers.
- Implementation of the campaign "Vietnam people priority for Vietnam", promote education and guide consumers evaluate the quality and choice of Vietnam plastic products when shopping. To encourage businesses to expand product distribution system of the rural areas, remote areas, remote areas.
- Increase investment for investigation, research, market forecasting and trade promotion data to be adequate, accurate and timely information on the market, the objective of the manufacturing enterprise. Since then support for companies in the industry to collect and handle the information on the market through the electronic portal and other media.
- To strengthen and create conditions for enterprises to participate in the promotion of trade, domestic trade fairs, the advertising propaganda programs for businesses to introduce, promote products.
- There are specific strategies to expand and control the domestic market. In the immediate focus for markets with high purchasing power such as Ho Chi Minh City, Hanoi, Da Nang and the Mekong Delta region
- Develop technical barriers such as the application of technical standards for the quality of imported products, import taxes, anti-dumping, environmental taxation ... in order to protect production in country.

For export markets:

- Strengthen trade promotion activities abroad, promoting the export market research, including traditional markets and potential markets, creating a basis for the promotion of the advantages Plastics sector comparator suit the needs of key markets. Enhancing access to customers directly, decreasing the intermediate stages.
- Closely associated with associations of regional plastics, plastics associations of countries around the world through exhibitions, forums and conferences to co-develop the market.
- Establishment of a branch or representative offices abroad to sell products, market research. Setting up information systems in the region and globally in various forms (information center, computer information network ...) to be able to update regularly and quickly to market demand in the region and around the world.
- Organization of the investment counseling center for investment products and technologies capable of good analysis and forecast accuracy problems that the manufacturers concerned.

For businesses:

- Enhance the application of information technology in the work market, the implementation of e-commerce: advertising on the website, send electronic mail (email), electronic transactions
- Develop strategies of the enterprise market for each type of product, ensuring consistent with the content of the agreement, the international commitment to make the most of the advantages of Vietnam at the same time not violate commitments safes. Promote research to market new products, diversification of products and improving quality to increase the competitiveness of products and businesses.
- Pay attention to build and develop the system-wide dealer and consumer products, and promote the role of affiliates in order to increase the autonomy of the business.
- Enterprises proactive detection of fraud and unfair competition in the market, combined with the state authorities to build preventive measures. With export activity, avoid unfair competition within the industry leads to joint damage.

Branding Solutions products:

- The business plan, strategic brand development of its products based on traditional consumption habits of the people of Vietnam.
- There are long-term development strategy for Vietnamese brand renowned and prestigious in the country on the basis of expanded production to maintain and grow market share, improve product quality, continuous improvement design, diversified product mix, consolidate and develop consumption systems ensure reliable products, favorable reputation with customers.
- Focus building product standards, such as barcodes, stamp products ... to fight counterfeit, commercial fraud, smuggling goods.
- Enhanced brand protection monitoring, labeling, design, product design, combating contraband, shoddy goods to ensure the benefits for businesses and consumers.
- Research organizations voted and announced the title of the brand "Vietnam Plastic typical" annual under uniform criteria to encourage enterprises to improve product quality and brand building.

Investment Solutions

- Continue to complete the legal system, mechanisms and policies related to FDI to be more liberal, attractive, while ensuring coherence and consistent with international practices. Create conditions for investors interested in investing in the plastics industry learn, promote and signed investment contracts with the most favorable conditions.
- Issuing lists of categories of plastic products in order to encourage investment and create information-oriented transparency for investors in the country and abroad.
- No investment certificates for investment projects with technology, communication equipment illegally.
- Encourage businesses to invest in expanding production combines technological innovation, equipment, application of energy-saving solutions.
- Research policy measures implemented to encourage investment in the production of high-tech plastic products to satisfy the needs of high-tech sectors of the national economy.
- To study and formulate policies and implement solutions for the development of industrial plastic scrap processing.
- Orientation and called for foreign direct investment (FDI) in the high-tech field of plastic industry, reaching the level of international standards, ensure the competitiveness of export products.

Industry management solutions

- Develop and issue quality standards and technical regulations for manufacturing plastic products according to international practices as a basis for monitoring, testing the products of the industry.
- Developing safety standards for household plastic products to ensure food safety for consumers.
- Further promote the association's role in advising the Plastic Industry and Trade Ministry policy development and protect the legitimate interests of businesses and consumers. Strengthening the role of the Vietnam Plastics Association in the fields of market research, product branding, promotion of investment, scientific research and technology transfer, development of human resources.
- Establish and maintain interaction between state agencies and associations now tight plastic and more active to create the institutional environment and policies to support production and business in the field of Plastics industry development focus of Vietnam in each specific phase.

- Establishment of the center product quality testing with advanced equipment to ensure product quality testing according to international standard plastic, suitable for integration in the region and the world.

- Research established training centers, technical consulting and specialized marketing information.

Solution of scientific research, technology transfer and environmental protection

- Encourage business investment plastic scientific research and application of advanced technologies in production; purchase of technology, advanced equipment developed countries, receive technology transfer of leading companies to produce high quality plastic products, additives for plastics, plastic materials domestic production has not been.

- Encourage businesses through joint ventures, associated implementing technology transfer domestic equipment manufacturing industry Plastics meet modern technical requirements.

- Encourage businesses to promote activities in the industry initiative to create technology solutions, know-how in order to improve productivity, quality, create valuable goods competitive.

- Strengthen research for a number of research institutes to have the ability to focus on issues of science and technology to serve Plastic industry, research and design of plastic products in line with domestic demand and export.

- Encourage the use and production of renewable plastic, provisions which products used must be regenerated, updating the world about the achievements of the new plastic material capable of biodegradable, the bioplastic types, in order to minimize environmental pollution as the types of packaging based on starch or membrane from polyninylalcol.

- Encourage organized collection system and investment in modern production facilities for processing plastic waste to increase raw material for plastics and minimize environmental problems.

- Construction of industrial plastic scrap recycling specialist to ensure the environment.

- Establish specific rules for the import environment of plastic scrap and plastic scrap processing.

- Construction of development assistance funds to support technology businesses to invest in the plastic industry technology innovation, application forms of production management, quality management advanced products to lower costs and improve competitiveness.

- Set up information centers to provide technology transfer, the creation and development of science and technology markets; The operating expenses for the sourcing of appropriate technologies to boost production, technological change is calculated on the actual cost of the business.

Solutions to develop materials for the production:

- Adopt policies to encourage investment in the production of plastic materials, in order to satisfy the needs of the domestic plastic materials and exports.

- Align the production of plastic materials for the petrochemical industry. To speed up projects to create petrochemical upstream petrochemical products provide raw materials for the plastic industry.

- Encourage foreign investors to participate in the production of plastic materials in Vietnam based on the use of oil and gas resource in the country.

- Create favorable conditions for investors of the petrochemical industry, the chemical and plastics industry in its joint venture to take advantage of the supply of raw materials (oil and gas), the ability of capital and product consumption.

Solutions to develop molds for plastic industry:

- Invest in mold manufacturing equipment for the production of technical products for industry, agriculture as an alternative to natural materials.
- Develop scientific and technological programs to create national stereotypes products are products reach international level and potentially for export. This program must come from the potential of the business and close cooperation with research institutions, domestic and foreign training to perfect the technology, products, technologies, increasing competitive technologies, products and technology.
- Research, production and fabrication of molds from new materials, high quality which Vietnam does not have to replace imports.

Solutions for the development of human resources:

- With the intensive training in professional schools, businesses need satisfactory investment to retrain staff and technical workers, overseas training to effective use of the equipment system, advanced production technology with high product quality and lower production costs.
- Develop programs and plans strategic synchronous training for management staff and skilled workers. The training must be conducted under the motto has developed width to meet immediate requirements, but also has plans to team training for higher skilled workers in the future development of the sector.
- Capacity building training for universities, colleges and vocational schools to train skilled managers and skilled technical workers to meet the labor needs of the growing plastic industry.
- Develop training centers, vocational training for the plastic industry. Center activities sponsored by businesses and organizations at home and abroad and is responsible for coordinating with other units have the expertise to build long-term training programs, short-term, according to specialist recommended to update their knowledge and disseminate the latest information at home and abroad for students.

b) Mechanisms and policies

Finance and Tax:

- Investment projects for the production of molds, plastics industry equipment should be incentives for investment as key mechanics (for investment credit loans is 85% of total investment).
- There are mechanisms and policies to encourage and support the development of infrastructure for industrial clusters specialize in sorting and recycling of plastic scrap such support construction of waste treatment; supports the application of science and clean technology, consuming less fuel and environmentally friendly.
- Financial support for advocating, encouraging people to self-classify waste upstream concurrently required compulsory administrative measures people have to waste separation to reduce the amount of waste into the environment to create materials for plants plastic scrap recycling.
- Develop policies to encourage the collection of plastic scrap in the country to form large collection system brings modernity contributing environmental protection and supply of industrial raw materials for processing plastic waste.
- Adopt policies to encourage financial and taxation for short-term training in the plastics industry for the training center.

About funds

- Fund for the training of technicians for the State sector should be supported in part through support programs of cooperation with foreign countries.

- The commercial bank guarantees priority for organizations and individuals to borrow to invest in infrastructure, technological innovation, training and human resources development branch Plastics.

Article 2. Organization implementation

1. The Ministry of Industry and Trade, in collaboration with ministries, agencies and People's Committees of provinces and centrally-run cities in directing the development of Plastics under the planning approval, shall:

a) Guideline, advocacy and coordinate with local and implemented jointly develop concrete steps oriented mentioned in the Plan; monitor the implementation of the plan.

b) Propose to the Government to adjust the mechanism, policies and adjust tariffs to import raw materials, plastic products to suit the actual situation in order to promote the development of plastic industry.

2. The Ministries of Planning and Investment, Finance, Science and Technology, Natural Resources and Environment, Education and Training according to their function and coordinated with the Ministry of Industry and Trade in : calling, attracting foreign investments into the development of Plastics; support for enterprises producing raw materials and molds plastic industry; support businesses operating in the sector, innovative research, technology acquisition and transfer; increase investment in training, improve the quality of vocational training of human resources for the plastic industry.

3. The People's Committees of provinces and cities concretized the central planning of Plastics sector in the provinces and cities; join with ministries to inspect and supervise the implementation planning in order to ensure uniformity, consistency with the overall planning of economic development - local society.

4. Vietnam Plastics Association in collaboration with the Ministry of Industry and Trade, the local organizing the propagation and dissemination of the Plan; guide enterprises in executive planning associations and other relevant provisions of law.

Article 3. This Decision takes effect from the date of signing and promulgation.

Article 4 Ministers, heads of ministerial-level agencies, Government agencies, Chairman of People's Committees of provinces and centrally-run cities and the concerned agencies shall implement this Decision ./.

MINISTER
(Signed and sealed)