

VietnamNet Bridge

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World traffic experts to meet in Hanoi

VietNamNet Bridge – Leading transport industry professionals from around the world will arrive in the capital city to attend Viet Traffic 2008, Vietnam's premier international traffic and overland transport conference and exhibition, to be held on October 15-17.

Delegates will learn about local and international case studies, urban transport planning and sustainability, advances in technology, transport financing and investments, intelligent transport systems (ITS) and road safety. They'll also gain critical insights into Vietnam's road and rail development plans.

The conference features an exhibition showcasing railway infrastructure, highway construction and management, roadside extras and public utilities, ITS for traffic management and safety, and parking facilities, systems and management.

Vietnam's need for an efficient transportation infrastructure has increased significantly as a result of its tremendous economic growth since joining the World Trade Organisation in January 2007. In recent years, the country's Gross Domestic Product has consistently hovered around the 8 percent mark, with 2007's foreign direct investment (FDI) hitting a 20-year high.

Major projects are underway to build more ports, highways, railways, roads, bridges, tunnels, interchanges, overpasses, car parks and other auxiliary facilities.

However, Vietnam's rapid economic growth has not been matched by infrastructure improvements, said William Lean, VinaCapital's managing director of infrastructure.

So, why has development of the country's transport infrastructure lagged far behind general growth of the economy?

Statistics point to inevitable growth in the Vietnamese transportation sector. In Vietnam, there are 12 cars per 1,000 people. In the US, this number is 893 and in Thailand it's 209. As Vietnam's wealth increases, the road network will have to be able to handle many more vehicles.

Investment in transport infrastructure provides healthy risk adjusted returns, due to relatively high and predictable yields from road tolls, user fees and rents.

In the first six months of 2008, Vietnam recorded FDI in transport of 31.6 billion USD, said Hoang Van Huan, an official from the Ministry of Planning and Investment. Nearly 9,200 projects were underway, with a total registered capital of more than 116 billion USD.

The country's poor transport infrastructure is restricting its economic growth. Some 60 billion USD of foreign investment has not yet been spent, Huan said. It is clear that rapid development of infrastructure is vital to spur economic development in Vietnam, he said.

(Source: VNA)

Vietnam's rapid economic growth has not been matched by infrastructure improvements

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