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Hanoi, April 11th 2014

DECISION

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

MINISTER OF INDUSTRY AND TRADE

Pursuant to Decree No. 95/2012 / ND-CP dated November 12, 2012 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;

Pursuant to Decree No. 36/2008/QĐ-TTg dated March 3 2008 of the Government amending development strategy of Vietnam Textile Industry by 2015, with a vision to 2020

At the request of the Director Department of Light ndustry,

DECISION:

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

1. Development viewpoint

- Development of textile industry in accordance with conditions for social – economic development of the country and developmental trend of the world in order to meet the domestic needs of the processing, manufacturing and defense industries;
- Put export to become the basic method for the development of the industry and also meet the needs of domestic market. Focus on developing products of supporting industries and materials, enhancing the added value of products in the industry;
- Development of this sector is associated with environmental protection and labor mobility trends of agricultural and rural areas. Development of textile industrial zones centralized in protecting environment. Transfer the textile enterprises using many labors to the countryside, while develop textile fashion market in urban areas and big cities;
- Development of human resources in both quantity and quality for the sustainable development of the textile industry, which focusing on training managers, technicians, skilled workers in order to create skilled and advanced workers.
- Mobilize resources for the investment and development of textile, call foreign investors to invest in the areas which local businesses are inexperienced.

2. Development objectives

2.1. General development

- Development of textile industry to become one of the key industries, export-oriented and able to meet the increase of domestic consumers' demand; create more jobs for the society; improve competitiveness and integration into regional economy and all over the world;

- Ensuring the sustainable and effective development of textile industry on the basis of modern technology, quality, labor and environmental management system according to international standards;
- Distribution of textiles in appropriate areas based on labor supply, transportation, sea-port;
- By 2020, the textile industry develops a number of well-known brands.

2.2. Specific target

The period from 2013 to 2015: the growth rate of industrial production value of the whole industry reached 12% to 13% / year, of which textile increased by 11% - 12% / year, the clothing industry increased to 13% - 14% / year. Export growth reached 10% to 11% / year. Domestic market grew 9% to 10% / year;

The period from 2016 to 2020: the growth rate of industrial production value of the whole industry reached 12% to 13% / year, of which the textile industry increased by 13% to 14% / year, the garment industry by 12% to 13% / year. Export growth reached 9% to 10% / year. Growth in the domestic market reached 10% to 12% / year;

The period from 2021 to 2030: the growth rate of industrial production value of the whole industry reached 9% to 10% / year. In which, the textile sector increased by 10% to 11% / year, the clothing industry increased by 9% to 10% / year. Export growth reached 6% to 7% / year. Domestic market grows 8% to 9% / year;

The structure of the textile industry, the garment industry in the structure of the entire textile industry: in 2015, the textile industry accounted for 45%, the garment industry accounted for 55%; By 2020, the textile industry rises to 47%, garment industry drops to 53%; in 2030, the textile industry increases 49%, while 51% garment industry in the entire structure of the textile industry.

Table: The specific objectives of the textile sector to 2030

	Unit	2015	2020	2030
1. Export turnover	Billion USD	23-24	36-38	64-67
The rate in national export	%	15-16	13-14	9-10
2. Number of employers	1.000 people	2.500	3.300	4.400
3. Main products				
- Cotton fiber	1000 ton	8	15	30
- Fibers, synthetic fiber	1000 ton	400	700	1.500
- Yarn (from staple fibers)	1000 Tấn	900	1.300	2.200
- Fabrics	Million m ²	1.500	2.000	4.500
- Garments	Million products	4.000	6.000	9.000
4. The rate of localization	%	55	65	70

3. Product development orientation and layout planning

a) Product development orientation, important areas

Firstly: Improvement of the export garment industry to take advantage of market opportunities

- Diversifying and improving the rank of textile products, develop products with high added value;
- Improving the capacity of enterprises in transferring production and business methods: from the form of processing from the first stage to the end (CMT) into other forms such as machining parts (OEM), purchase of raw materials - manufacture - semi-finished products (FOB) or design

- production - providing products and related services (ODM), proceed to production with its own brand (OBM);
- Improving labor productivity, capacity building in business management, design, quality management, trade promotion;
- Transferring garment production from major cities to provinces with labor force and convenient transportation.

Second: building fabric production program for export and develop technical textile products, textile products for health

- Developing knitted items, woven one offering the ability to mount the fiber production, apparel promote the advantages of trade agreements such as the TPP, FTA, ...; development of technical textile products, textile products for health;
- Focusing on key stages to increase product quality and customer confidence, while weaving dyeing, finishing is the most important;
- Investment of project yarn production, weaving, dyeing, need to choose appropriate technologies towards improving product quality and less polluting the environment;
- Planning for the textile and dyeing factories, completed by a certain number of locations to facilitate water supply and sew sewage treatment. Investment textile industrial clusters in the direction of modern synchronized value chain: production of raw materials, auxiliary materials and sewing products in the format of FOB, ODM.

Third: develop materials cotton, fiber crops, synthetic fibers and accessories

- Implement programs to develop cotton, which focuses built irrigated cotton growing areas to increase productivity and quality of cotton fiber in country, provide for the textile industry;
- Selecting, additional investing for man-made fibers factories, gradually meet the needs of the textile industry about quality, quantity, aims to increase the proportion of localization.

b) Regional and territory planning

Textile planning based on territories were distributed in the areas with the main orientations:

- Area 1: the Red River Delta

- + Hanoi is the center of fashion design, production design centers, service providers, materials, textile technology, continue to develop a number of garment enterprises of high-end products, products samples of high quality, high added value;
- + Development of spinning mills, weaving, dyeing in industrial parks and export processing zones have infrastructure such as Pho - Hung Yen; Hoa Xa, Bao Minh - Nam Dinh province; Phuc Khanh, Nguyen Duc Canh - Thai Binh province; Trang Due - Hai Phong City; Chau Son - Ha Nam province; ...
- + Development of textile industry cluster in the industrial zone of Hai Yen - Quang Ninh;
- + Develop factory mechanical equipment and spare parts for the textile industry in the industrial zone in Binh Xuyen - Vinh Phuc province.

- Area 2: Midlands and Northern Mountains

- + Continue to develop spinning mills, weaving, dyeing in the Thuy Van industrial zone, Trung Ha, Tam Nong - Phu Tho province, Pho Yen Industrial Zone - Thai Nguyen province and develop the garment factory in the Thai Nguyen, Yen Bai, Tuyen Quang, Bac Giang, Bac Can;
- + Orientation fiber production, weaving, dyeing and garment industry provides domestic, export and through international border;

Regional Development + cotton and silk materials in the provinces of Son La, Dien Bien.

- Area 3: North Central Region

- + Thrive investment yarn, weaving, dyeing in industrial zones B Bim Son, Quang Xuong Transplantation - Thanh Hoa province; area fiber, woven in Nam Dan, the textile industry gathered in Dien Chau - Nghe An province; Hong Linh district textile fibers, textile dyeing industrial zones focus - Ha Tinh province; Zone spinning, weaving, dyeing - Quang Binh province; industrial group Dong Ai Tu - Quang Tri province; Phong Dien Industrial Zone, Tu Ha, Phu Bai - Hue province;
- + Distribution of garment factories in urban neighborhoods, towns and townships of the province in this area;
- + Investment in developing cotton fibers regions in the provinces of Quang Tri, Quang Binh;
- + Development factory associated with man-made fibers in the Nghi Son Petrochemical Zone - Thanh Hoa province.
- Area 4: South Central Coast Region
- + Orientation textile industrial investment distribution highway north - south with some parks in the provinces of Da Nang, Binh Dinh, Phu Yen;
- + Develop key industrial zones, in which the spinning mills, weaving, dyeing gather at the Hoa Khanh industrial zone - Danang; Xi'an, the East of Que Son, Thang Binh - Quang Nam province; Dung Quat - Quang Ngai province and Nhon Hoi - Binh Dinh province; An Phu - Phu Yen province; Tan Duc - Binh Thuan situation;
- + Investment in developing cotton fibers regions in the provinces of Ninh Thuan, Binh Thuan;
- + New development of factory and garment raw materials; mechanical equipment and spare parts for the textile industry in this region.
- Area 5: South East
- + Ho Chi Minh City is the center of fashion design, production design centers, service providers, materials, textile technology;
- + Development, investment expansion spinning mills, weaving, dyeing in industrial parks and export processing zones have infrastructure such as industrial parks in Binh An, Dong An 1, Dai Dang - Binh Duong Province; Nhon Trach, An Phuoc, Dau Giay, Long Khanh, Long Binh, Song May 2, Go Dau - Dong Nai Province; Le Minh Xuan, Tan Thoi Hiep, Cu Chi, Vinh Loc 1; Linh Trung Export Processing Zone, Tan Thuan - Ho Chi Minh City;
- + Development of textile industrial cluster in Tan Khai, Vietnamese overseas, Dong Xoai, Chon Thanh 1, North East Phu - Binh Phuoc province; industrial parks Bourbon - An Hoa, Phuoc Dong - Boi Loi, Trang Bang - Tay Ninh Province; Dat Industrial Park - Ba Ria Vung Tau province;
- + Develop a factory sewing materials; mechanical equipment and spare parts for the textile industry in this region.
- Area 6: The Mekong Delta
- Oriented yarn production, weaving, dyeing Xuyen Industrial Park - Long An Province. Develop manufacturing garments for export and domestic consumption in the provinces of Tien Giang, Ben Tre, Vinh Long, Dong Thap, Can Tho, Bac Lieu, Kien Giang.
- Area 7: The Highland
- Orientation promote specialization of crops such as cotton textile materials, mulberry, ... associated with the processing and creation of products for the export market and domestic. Development and the integration of facilities for domestic sewing or satellite for export garment units.

4. Systems solutions and implementation of planning policies

- a) The policy and market solutions

Diversification of export markets, expand the domestic market. Continue exports to traditional markets such as the US, Europe, Japan and increase exports to new markets, niche markets such as Korea, BRIC, ASEAN, the African block, Canada , Turkey,...

The State management agencies:

- Focus on possibilities and opportunities expanded negotiations textile market, enhance the role of trade representatives abroad, build trade promotion strategy in line with the retailer, the buyer international;
- Accelerate the reform of administrative procedures in the field of taxation and customs, import and export towards simplification of procedures; strengthen inspection and control of the market and smuggling, tax evasion;
- Strengthen the dissemination of international trade law to help businesses overcome the barriers of the importing country.

Enterprises in the textile and garment industry: Organization and expansion of retail network in the country, innovative marketing methods exporters, focus on building brand and image of Vietnam in the textile industry international markets.

b) Policies and investment solutions

- Develop zoning maps textiles, the list of projects to encourage investment in a more detailed;
- Encourage the construction of the textile and dyeing industrial park focused on ensuring the infrastructure conditions for electricity, water supply, wastewater treatment, meet environmental requirements and labor resources are likely to be trained apple;
- Encourage investment in manufacturing fabrics, technical textiles, medical and related materials in the garment industry; priority investment projects irrigated cotton production; studying the possibility of production of petrochemical products cater to the textile;
- Focus on investing in service providers, commercial development sales network;
- Promote construct and improve the system of transport infrastructure such as ports, roads, rail, forming the warehouses, commodity focus points in key economic regions.

c) The policy and management industrial solutions

- Quickly form textile clusters, create production network links between businesses in the sector, development of the industry value chain;
- Improve value chain of capacity management, forming alliances and cooperative organization among companies along the supply chain from raw materials to the distribution of garments;
- Enhance cooperation, professional learning, experience from the management, the foreign technical experts to solve difficulties for some companies or operate new projects and new technologies;
- Actively apply tools to improve productivity solutions, quality; standard production; effectively take the benefits of information technology and promote e-commerce applications;
- Enhance the role and effectiveness of the Vietnam Textile and Apparel Association and the Association of Cotton Yarn Vietnam.

d) The human resources development solutions

Continue to implement human resources training programs for the textile industry. Content includes technical training, technology and soft skills in management, product development, design and market research, vocational training;

- Develop a plan for training laborers textile sector by forming strategic clusters to enhance the competitiveness of the whole sector;
- Strengthen the specialized training system in textile, established universities specialized in textile technology and fashion;

- Vietnam Textile and Garment Association is the focal point to coordinate and link with businesses, educational institutions and abroad to implement training programs for human resource industry.

e) Solution for science and technology

- Research and apply new technologies, new materials to create textile products which have different features, implement cleaner production program, save energy, improve productivity and product quality, safety and protection for consumers; design software application, production management and quality of textile products;

- Enhance quality management, testing, certification standards in line with international and regional; build a system of standards, technical regulations and conformity of textile products and harmonization with international consulting capacity building, research and develop technology transfer, ability to design and creation of models of research institutes;

- State supports part for the research design, product quality test to overcome the technical barriers to the trade of importing countries; supports upgrading the assessment centers, quality control of textile products;

- Strengthen international cooperation in order to learn the management experience, transfer of modern technologies.

e) Solution for the supply of raw materials

- Create the central supply of raw materials in Hanoi, Ho Chi Minh City and other major cities to provide timely for companies in the industry;

- Attract foreign investment and mobilizing funds for investment in the production of petrochemical products (fiber, yarn, chemicals, dyes, ...);

- Develop growing regions irrigated cotton fibers; State support infrastructure investment in the plant in service planning material.

f) Solutions for Environmental Protection

- Develop and implement a roadmap for technological innovation in the textile industry towards production of "environmentally friendly", cleaner production, rational use, saving and high efficiency of the chemical, physical auxiliary, dye, gas, electricity, water, ...

- Strengthen of scientific research on environmental technologies to meet environmental requirements and technical barriers in international economic integration.

g) Financial solutions

- Encourage all local and foreign economic sectors to invest capital. Encourage enterprises to participate in the stock market to create a channel for capital mobilization;

- State supports part of funds from the budget for research activities, training and investment in infrastructure, technology to enhance the capacity of research institutes and training facilities for textile and garment industry the principle in accordance with the international commitments to which Vietnam has acceded to;

- Invest project for environmental treatment of the textile and garment enterprises to get loans of state credit, ODA and the environmental fund.

Article 2. Implementation organization

1. The Ministry of Industry and Trade, in collaboration with other ministries and agencies, local authorities announce, guide, implement the Plan; inspect and supervise the implementation of the plan; recommend the authorities to adjust mechanisms and policies following the actual situation in the implementation process.

2. The Ministry of Planning and Investment; Finance; Agriculture and Rural Development; Science and Technology; Natural Resources and Environment; Labor- Invalids and Social

Affairs; The bank of Viet Nam; Vietnam Development Bank based on their functions to coordinate with the Ministry of Industry and Trade to concretize policies and solutions specified in the decision.

3. The Ministry of Planning and Investment, in collaboration with the Ministry of Finance, the State Bank of Vietnam and concerned ministries and organizations call domestic and foreign investment, ODA and FDI capital to meet investment demand to develop textile industry.

4. People's Committees of provinces and centrally-run cities in collaboration with the Ministry of Industry and Trade and relevant Ministries and sectors are responsible for coordinating, creating favorable conditions for projects and programs of development of supporting industry to be implemented in harmony and consistently with industrial development planning and master plan for social-economic development of localities.

5. Vietnam Textile and Apparel Association researches and suggests to the State management agencies adjust policies and mechanisms to develop Textile industry under the Planning.

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)