



**31 March - 2 April 2009**

**Saigon Exhibition & Convention Centre (SECC) • Ho Chi Minh City, Vietnam**

## INDUSTRY NEWS UPDATE

### SLP Environmental Consultants expand their environmental consultancy services into Vietnam

Rapid industrialization, an evolving environmental regulatory system and a growing awareness of the importance of protecting the natural environment has resulted in SLP Environmental Consultants extending their environmental consultancy services into the Vietnamese market.

Over the last decade, industrial activities in Vietnam have made a significant contribution to the stable development of the country's socio-economic and national economic development targets. However, in the development process, these industrial manufacturing activities and associated infrastructure expansion works have taken their toll on Vietnam's natural environment and environmental law enforcement has historically been patchy and often lax.

It is not uncommon to read reports in the Vietnam press of rivers and groundwaters polluted by large volumes of untreated industrial effluent and municipal wastewater, or how the uncontrolled burial of hazardous wastes has contaminated groundwaters making them unusable for drinking water supply. Atmospheric pollution has also risen as a result of rapid industrialization and smoke, dust and odour pollution from facilities such as cement manufacturing and seafood processing plants is widespread.

One environmental pollution incident extensively publicised in the Vietnam press over the last few months is the Taiwanese-financed monosodium glutamate producer Vedan Vietnam who were caught red-handed polluting the Thi Vai River in Ba Ria Vung Tau Province, 67km south of Ho Chi Minh City. They have been discharging thousands of cubic metres of untreated wastewater into the river every day for the last 14 years and as a result a 15km stretch of the river is now grossly polluted. The Vietnamese Government have suspended the factories operations and fined the company a US\$7.5 million retrospective environmental protection fine, and additionally some 1,000 local residents whose health and livelihoods have suffered are preparing a class action against the company. According to the Vietnam Environmental Protection Agency (VEPA), the Thi Vai River receives daily some 34,000 cubic metres of untreated wastewater discharged from nearly 200 companies operating in the river basin and as a result ships can no longer anchor at Go Dau Port in Dong Nai Province because of pollution damage.

There is also a requirement for the public infrastructure within Vietnam to be improved. The World Bank estimates that only 14% of wastewater in Vietnam's main cities such as Hanoi, Ho Chi Minh and Hai Phong is treated and only 50% of rural families have access to sanitation. Ho Chi Minh City is currently improving its sewerage system and wastewater treatment facilities, but there is extensive scope for new projects and the expansion of such utilities across the country.

SLP Environmental can provide Phase 1 and 2 Environmental Assessment Services to identify the nature and sources of environmental pollution and Phase 3 Land Contamination Remediation services to clean-up contaminated soils and groundwater to safe levels and reduce pollutant emissions at source. We also provide Environmental Impact Assessment (EIA) services to local and international standards for new construction projects. Our EIAs identify the negative environmental impacts of a particular project and the environmental monitoring and management measures that are required to reduce the impacts of construction, operational and decommissioning activities on the natural environment and local communities.

SLP offer more than just solutions to environmental pollution problems however, we also provide environmental services to international investors to support business transactions such as mergers and acquisitions. Vietnam was recently described in a UK Trade and Invest Report as one of the most attractive emerging markets globally. Foreign Direct investment (FDI) is at record rates with Vietnam currently ranking fifth in the world with a FDI estimate for 2008 of US\$60 billion, with additional billions being loaned for new infrastructure projects by International Financial Institutions such as the Asian Development Bank. These projects include hydroelectric power plants, wastewater treatment and waste disposal facilities, urban mass transit schemes, new expressways and the upgrading of existing roads and canals. Industrial growth for the

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period January to September 2008 was reported by the General Statistics Office as 15.2% and this rapid growth is demonstrated by the fact that by 2015 six new steel smelting plants with associated deep water ports will have been constructed in Vietnam. Currently Vietnam has a heavy reliance on imported steel and they wish to increase their domestic production of cast iron and steel of different kinds to meet increasing domestic demand and develop a new export market.

Vietnam is also capitalizing on its prime location as a tourist destination with the construction of new urban centres such as Thu Thiem Peninsula, located directly across the Saigon River from the historic core area of District 1 in Ho Chi Minh City. Leisure resorts in the design phase include Da Nang New City and Phu Quoc Island which are being touted as 'clean tourist destinations' incorporating sustainable development principals and special environmental protection initiatives. Such projects are viewed favorably by the Vietnamese Government. Furthermore Vietnam as a developing country finds itself in the advantageous position of being able to learn from the experiences of other more developed countries and design and build green sustainable buildings and infrastructure which will have a huge benefit for the local, regional and global environment.

SLP Environmental offer Phase 1 Environmental Due Diligence (EDD) assessment services to support business transactions such as mergers and acquisitions and we also offer environmental sustainability appraisals and carbon management services to help businesses and organisations reduce their impact on the local and global environment. Our Phase 1 EDD services (also referred to as Phase 1 Environmental Site Assessment) can be undertaken to international standards such as ISO 14015:2001 and ASTM E1527-05 or tailored to suit a client's specific requirements.

As Vietnam's economy grows at a breakneck pace, many Vietnamese are quite rightly worried about the potential trade-off between economic development and the environment. There is a rising consensus that economic development should not come at too high a price and more consideration needs to be given to sustainable development and protecting the natural environment for future generations. Environmental pollution in particular is threatening to undercut recent economic gains as it has a detrimental effect on human health and the ecosystems that Vietnam relies on for sustenance. Environmental pollution also has economic consequences as agricultural and aquacultural production is increasingly affected.

To put the problem in perspective, the number of polluting companies is now so high and the effects of pollution so visible that some banks are exercising corporate social responsibility and refusing to lend to polluting companies without concrete evidence that they are taking real steps to tackle their irresponsible environmental behavior.

*(Source: Press Release, SLP Environment Co. Ltd – Dated 17<sup>th</sup> November 2008)*