



Indochina

Digest

Vol. VIII

20 January 1995

No.3

TRADE/INVESTMENT

Vietnam coffee breaks

According to Doan Trieu Nhan, general director of Vietnam's National Coffee Export-Import Corp, Vinacafe, Vietnam's booming coffee industry needs increased domestic and foreign investment to maintain high growth rates. Vietnam, which is currently the world's fifth largest coffee producer, is expected by many industry officials to become Asia's largest coffee exporter in three to four years. Production has increased steadily over recent years, from 150,000 tons in the 1992/93 season, to 165,000 tons in the 93/94 season and has already reached 175,000 tons this growing season. Nhan, who attended an international conference on coffee in Singapore last week, said coffee production should rise to 240,000 tons per year by 2000.

Vietnam plans to increase the amount of land used for growing coffee from the current 140,000 hectares to 200,000 hectares by 2000. Nhan said that US\$3,000 will be required to prepare each hectare to grow coffee, making capital investment for land improvements US\$180 million necessary. Compared with other world coffee producers, Vietnam's production costs are relatively low, at about US\$400 per hectare, and yields are quite high, at 1,500 kilograms per hectare. Investments are also needed to upgrade processing equipment and establish reprocessing plants to improve coffee quality. Recently, Vietnam has had difficulty fulfilling obligations under coffee exporting contracts and has failed to meet quality requirements on at least one occasion.

Castrol Vietnam gains and complains

Castrol Vietnam Ltd., a joint venture between Britain's Burmah Castrol Plc. and Saigon Petro, plans to build Vietnam's first transformer oil (TFO) plant at a cost of US\$1 million. The oil is mainly used by power companies, and the plant will enable Vietnam to recycle used oil. *Vietnam News (VN)* said Castrol is now holding talks with power companies on details of the project. The firm already has a 70% share of Vietnam's market for motorcycle lubricants, which are produced at a blending plant near HCMC.

VN said Castrol is also critical of Vietnam's decision to increase the tax on base oil from 1% to 10% on 1 January, saying that, "the increase had greatly affected oil products manufactured in the country." The firm complained it was subject to double taxation if it sold its products outside HCMC as it had to pay local taxes as well as taxes in the place where the oil was sold.

Citibank branch in Hanoi

On 19 January, Citibank opened a branch office in Hanoi, becoming the first US bank to offer full branch operations in Vietnam since 1975. "Citibank will provide a wide variety of financial services to its global customers operating and investing in the country, and will fully participate in the development of the financial system," said Brad Lalonde, the bank's country manager. Citibank established its representative office in Hanoi in July 1993 [see *Digest*, 3 Dec 93] and has a representative office in HCMC.

Vietnam updates

◆ **Foreigners must pay minimum wage** - The chairman of Vietnam's State Committee for Cooperation and Investment, Dau Ngoc Xuan, accused some foreign investors of causing labor disputes by not paying workers the legal minimum wage. Last year there were 8 strikes in foreign-invested enterprises, most of which occurred in companies where there was no labor agreement or trade union. The legal minimum wage is currently US\$35 in Hanoi and HCMC and US\$30 in other areas.

◆ **US\$400 million bond sale** - Vietnam will make a trial international sale of government bonds and bills worth US\$330 million to US\$400 million during 1995 to raise capital for its targeted economic growth of 9%-10% this year, the official *Vietnam News Agency (VNA)* reported. Le thi Bang Tam, director of the State Treasury, told *Reuters News Agency* last month that she expected the first international bond issue of US\$100 million to US\$200 million by mid-1995.

◆ **Japan cement** - On 12 January, Mitsubishi Materials Corp. announced that it will sign a joint venture agreement with Japan's Nihon Cement Co. Ltd. and the Vietnam National Cement Corp. on 20 January to build a cement plant at Nghi Son, 200 km south of Hanoi. The two Japanese companies will hold a 65% share of the new company, Nghi Son Cement Corp., while the Vietnamese firm will hold the remaining 35%. The US\$347 million project will have an annual production capacity of 2.3 million tons of cement and will create 472 local jobs. Production is expected to begin in August 1999, with 60% of the output for domestic use and 40% for export to neighboring countries.

◆ **Drydock drama** - On January 17, Keppel Bason Shipyard and Engineering Pte. Ltd., a Vietnam-based arm of Keppel Corp. announced the completion of its first drydocking facility in Vietnam. The company completed repairs on a geotechnical survey vessel. Repairs and maintenance for class survey, steelwork on the main deck and shipside and hull blasting were performed at the new facility.



◆ **Hong Kong high-tech park** - On 18 January, Schmidt Vietnam, a subsidiary of Schmidt Group of Hong Kong, announced the launching of the first phase of the Hanoi International Technology Center. The 9-storey, US\$20 million science and technology tower is the first phase of a US\$93 million center that will include 3 buildings in suburban Hanoi. The first building should be completed by mid-May and target customers are telecommunications and other high-technology companies. Other facilities in the center include an exhibition center, testing laboratories and a medical center.

◆ **Digging deeper** - Austinh Ltd., a joint venture between majority partner Australia's Westralian Sands Ltd., Ha Tinh province and the Ministry of Heavy Industry, announced it received a US\$4.5 million 5-year credit line from ANZ Bank to expand its mining operations at its ilmenite mine in north-central Vietnam. In 1994 the mine produced 50,000 tons of ilmenite and the expansion project should increase that number to 80,000 tons per year this year and up to 100,000 tons by 1997.

VIETNAM

No multi-party. . .

An article in the 18 January *Quan Doi Nhan Dan* said that the Vietnamese government has reiterated its opposition to a multi-party system "for the moment," saying the communist party is the only guarantee of political stability in the country and is essential to the state's economic development. "The party alone is capable of achieving the national revolution thanks to its prestige among the population, as well as its contribution to the liberation of the country in the past and to its work of renewal today," the article said.

. . . or parties

The Central Committee of Vietnam's Communist Party has urged Vietnamese citizens to celebrate "merrily, healthily and economically" during the upcoming Tet lunar New Year celebration. The party encouraged people to not spend public money on gifts or let off firecrackers, but to "accomplish their routine work to help fulfill the 1995 State Plan," visit veteran revolutionaries, help the poor, and organize arts and sporting events. The country will virtually shut down for the entire week of 30 January through 2 February and during the preceding and following weekends.

The greening of General Giap

Vietnamese war hero General Vo Nguyen Giap is urging young people to help protect Vietnam's threatened environment. In a speech launching the first environmental awareness campaign in the country, Giap said that, "the responsibility and the glory rest on the young generation." The campaign, sponsored by the Vietnam Youth Union and the UN Development Program (UNDP), features an intensive schedule of radio and television advertisements over the next month. The UNDP said the message would be preservation of Vietnam's dwindling forests and environmental hygiene, and the need to keep rivers, drinking water sources, and city streets clean.

Landmines removed

On 15 January, *Xinhua* news agency reported that Chinese soldiers removed 700,000 landmines from 30 minefields along its border with Vietnam in a campaign to demilitarize the frontier. The report said the mines were removed during a 500-day campaign that ended in November. Trade between Vietnam and China has been increasing steadily since 1989, transforming many border towns into commercial centers.

Luxembourg prince visits

Crown Prince Henri of Luxembourg is scheduled to accompany a business delegation to Vietnam this week and meet with Vietnamese government and business leaders. Executives from Luxembourg companies will meet with the State Planning Committee, the Vietnam Chamber of Commerce and Industry, and the ministries of heavy industry, health, foreign trade and transport. In 1994, Luxembourg was the 24th largest investor in Vietnam, with US\$6.5 million pledged, all in one industrial project.

First MBA course

Vietnam will soon have its first course for the Master of Business Administration degree. Belgium's European Institute of Public Administration and the Solvay Higher School of Commerce signed an agreement with the Open University in HCMC to start a two-year trial MBA program with 50 students beginning next month, *Tuoi Tre* reported.

Hijacker sentenced

On 17 January, Van Viet Hoai Niem Tu, 46, was convicted of trying to hijack a plane, and was sentenced to 20 years in jail. Last May, Tu attempted to hijack a Garuda airliner as he was being sent home after failing to secure refugee status in Indonesia. Tu doused himself with gasoline and threatened to set himself on fire in the cockpit of the plane if the pilot refused to fly to Australia. He was overpowered and arrested after the plane arrived safely in HCMC.

Sports highlights

◆ **Marathon** - On Sunday, 15 January, the 4th Vietnam international marathon was held in Hanoi. Phillip Keiyo from Kenya took first place in the men's competition, with a time of 2.22.22. Hugh Jones of Britain was second followed by Mikhail Kokorev of Russia. American Doug Kurtis, who won two previous marathons, took fourth place. Among the women runners, Lucy Ramwell of Hong Kong took first (2.53.04), followed by Vu thi Hoa and Dang thi Teo of Vietnam. David Lambertson, the 54 year-old US Ambassador to Thailand also participated, and finished at 3.25.09.

◆ **Soccer results** - South Korea defeated China's army team 1-0 in the Independence Cup soccer title match on 15 January [see *Digest*, 30 Dec]. China's army team took second place, with Vietnam's A team and B team sharing third place.

◆ **Brazilian soccer coach quits** - The recently hired coach of Vietnam's national soccer team, Brazilian Edson Tavares, announced 14 January his intention to resign after only two months over a problem related to implementation of his contract. An international cigarette company with interests in HCMC sponsored Tavares's contract, which was signed with the Vietnamese Football Federation.



CAMBODIA

American tourist killed

On 15 January an American woman was killed when gunmen opened fire on a tourist van in a remote area of the Angkor Wat temple complex in Siem Reap province. Susan and William Hadden of Austin, Texas, were traveling with a dozen other tourists to Banteay Serei temple, about 15 miles north of the main Angkor Wat complex. According to government officials, the four-car convoy was stopped at a road block. Five gunmen fired grenades and automatic rifles at the group, killing Mrs. Hadden and her Cambodian driver and seriously wounding Mr. Hadden. Hadden was a professor at the University of Austin's Lyndon Baines Johnson School of Public Affairs, where she taught for 15 years. Mr. Hadden was treated for gun shot and shrapnel injuries at an international clinic in Phnom Penh, and evacuated to Singapore. Susan Hadden was cremated at a ceremony in the capital and flown to the US on 16 January.

According to the Cambodian Secretary of State for Tourism, Thong Khon, travel agencies had been warned not to send tour groups to the area around Banteay Serei temple because of its proximity to fighting between government troops and Khmer Rouge guerrillas. Diethelm Travel, the agency that booked the tour, said the couple had hired a private guide to take them to the isolated Banteay Serei temple.

Vietnam relations

First Prime Minister Norodom Ranariddh visited Vietnam 15-17 January to discuss border, commerce and immigration issues. He was accompanied by a 29-member delegation, which included nine ministers. Ranariddh met with his counterpart Vo van Kiet, Vietnam's President Le Duc Anh and the Secretary-General of the Communist Party Do Muoi. Ranariddh conveyed the invitation of King Sihanouk to Anh to visit Cambodia. At the close of the visit, the two prime ministers signed a joint communiqué agreeing to peacefully settle the two most complex issues, immigration and border disputes through the establishment of special joint commissions. A committee to deal with the issue of Vietnamese living in Cambodia, originally conceived in 1993, will meet for the time on 20 February. The two sides will also establish a joint panel to settle demarcation disputes on their common land and sea borders.

Khmer Rouge news

On 17 January, an official said government forces captured a major Khmer Rouge base at Preah Polei, 20 km (12 miles) west of Preah Vihear temple in northern Cambodia. On 18 January, the government announced the army reopened National Route 12, a major road between Kompong Thom and Tbeng Meanchey, the provincial capital of Preah Vihear. The government cautioned that while the military is now able to use the road to resupply efforts in the north, there is still a danger of landmines laid by Khmer Rouge. Aid workers in Battambang said sporadic Khmer Rouge attacks are continuing in villages near the city. The guerillas recently attacked Chheu Teal village, burning 230 houses and wounding eight people. At O'Taki, one child was killed and another injured by two landmines planted near a primary school. "The fighting that is happening does not seriously threaten Battambang," an official said.

Pressed suits

On 17 January, the government announced it has filed civil defamation suits against two newspapers for publishing articles and cartoons about Co-Prime Ministers Ranariddh and Hun Sen that "were deemed to be defamatory." On 12 January, *Samleung Yu Vachun* (Voice of Khmer Youth) said Ranariddh was "naive," that he was "scared of losing power and money," and that he telephoned Hun Sen for permission to make decisions. *Serei Pheap Thmei* (The New Liberty News) published a cartoon of Hun Sen pointing a gun at Ranariddh's head to make him sign documents. The government withdrew its original order of 14 January to have the two newspapers suspended. "The defamation action is being taken under the 1992 State of Cambodia Media Law, Article 32. The penalty is a fine of 300,000 to 3 million *riel* or imprisonment of three to six months," a government statement said. The manager of *Samleung Yu Vachun* said he stood by his paper's articles: "My newspaper doesn't defame because we write when we have evidence."

No Toul Sleng cremation

On 19 January, palace chief of cabinet Keoputh Rasmey told *Agence France Presse* that King Sihanouk has abandoned his idea to cremate bones kept at Toul Sleng [see *Digest*, 9 Dec] following a plea from the central committee of the Cambodian People's Party (CPP). "The King has agreed with the CPP proposal because it comes from the majority of the people," Rasmey said. The CPP proposal said the "majority of Cambodia's population disagreed with cremating the bones" and wanted to keep them as "witness to the Khmer Rouge crimes." The deputy director of the Toul Sleng museum said, "If we keep the display of bones it goes against our Buddhist beliefs but if we cremate them we will lose the evidence of the Khmer Rouge crimes."

Polio inoculation program

In February, more than 40,000 volunteers will inoculate 1.7 million children, or nearly 20% of the population. "The plan is to go to any district in any commune. We expect to reach all children up to the age of five in most areas of the country," a World Health Organization official said. "The last place where there is a real serious problem in the region is here in Cambodia and the Mekong Delta region in southern Vietnam. There is a lot of regional and international pressure on Cambodia to get it under control."

LAOS

ADB approves health care project

On 19 January, the Asian Development Bank (ADB) approved a US\$5 million interest-free concessional loan to Laos to fund a primary health care project. The loan, which will come from the ADB's special funds resources will help decrease mortality from common diseases, with the hope of improving the health of people living below the poverty line in rural areas. The ADB will also provide a technical assistance grant of US\$800,000 to strengthen project management skills in the project areas and ensure the quality of in-service training. The infant mortality rate in Laos is the highest in Asia, with 125 deaths per 1,000 live births and the life expectancy in Laos is only 50 years.



REFUGEES

Hong Kong deportations

On 18 January, Hong Kong sent 104 "non-refugee" Vietnamese back to Hanoi under its Orderly Repatriation Program (ORP) for boat people who do not return voluntarily. It was the largest flight under ORP, and brought the total number of Vietnamese forcibly repatriated to 1,282 since 1989. Officials said there were no major problems on the day of the flight, although some boat people had to be pushed or carried on to the airplane.

US POLICY

Congressional concern

In a 13 January letter to Vietnamese Prime Minister Vo van Kiet, recently made public, the new Chairman of the House of Representatives Committee on International Relations, Benjamin Gilman (R-NY), and the new Chairman of the House Committee on Banking, James Leach (R-Iowa), wrote to express "deep concern" over the recent detention of two Buddhist monks [see *Digest*, 13 Jan], and other Buddhists reported arrested. The congressmen said they had a "humanitarian interest" in learning why they had been detained. "As you know, the detention of persons for peaceful protest or religious expression violates international law," the letter said, adding that they "believe that these detentions will not have a positive effect on developing relations between our two countries."

At a 19 January press conference in Hanoi, Foreign Ministry spokeswoman Ho The Lan confirmed Thich Quang Do was under arrest, stating: "he is now temporarily held in HCMC for his implication in violation of public order. The authorities there are making an investigation into his case." Lan denied Thich Huyen Quang was under arrest, stating he changed his place of worship at the request of nuns and monks but was still at a pagoda in the south central part of Quang Ngai province, and that he was in good health. "As far as we know, Thich Huyen Quang has never been arrested as reported," she said.

Yale awarded grant to study genocide

The Yale Center for International and Areas Studies (YCIAS) of Yale University in New Haven, Connecticut, received a US\$499,283 grant from the US State Department to research and document the killings by the Khmer Rouge during their 1975-1978 rule. Funding for the Cambodian Genocide Program is being provided the State Department's Office of Cambodian Genocide Investigations, created by the Cambodian Genocide Justice Act, which was introduced by Senator Chuck Robb (D-VA), and passed by the US Congress last year [see *Digests*, 30 Sep & 29 Apr]. The program will be directed by Professor Ben Kiernan of Yale, with Dr. Craig Etcheson serving as program manager. The program's goals include the establishment of an international database of documentation on the Pol Pot regime, the commissioning of new research on various aspects of the period, and the training of Cambodian scholars, legal officers, and human rights workers to study the historical and legal evidence of the subject. The program will continue through December 1996.

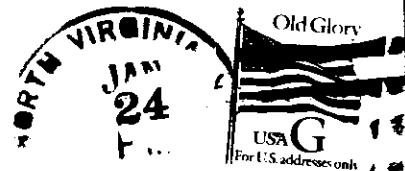
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ID#3.777