



# Indochina

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## Digest

Vol. VIII

30 June 1995

No. 26

### TRADE/INVESTMENT

#### Vietnam oil output

Charles Johnson, an energy analyst at the East-West Center in Hawaii, has issued a report stating that Vietnam's rapid growth in domestic oil consumption will eliminate net oil exports within 15 years. "Vietnam will almost triple production from its current 175,000 barrels per day (BPD) to 450,000-500,000 bpd in five to seven years," Johnson said. "In that period, two-thirds of the oil will be exported but rapid growth in domestic consumption will wipe out net exports within 15 years." In an interview with *Reuters News Agency* on 27 June, a PetroVietnam spokesman said Vietnam will still be a net exporter in 15 years. The spokesman said Vietnam's output in 2010 would be more than 400,000 bpd, or 20 million tons per year, and domestic consumption will not reach that figure. "In other words, in 15 years time, we will remain a net oil exporter," the spokesman said. After that, it is "too far away to say - it depends on how many more discoveries we make." The main producing field, *Bach Ho* (White Tiger) is currently producing at a rate of 140,000 bpd, or 7 million tons per year, while the *Dai Hung* (Big Bear) field is producing at a rate of 30,000 bpd, or 1.5 million tons per year.

#### Vietnam narrows trade deficit

On 23 June, government officials announced that Vietnam's trade increased during the first half of this year, with the deficit narrowing to US\$170 million, reduced from US\$200 million from the same period in 1994. Vietnam exported US\$2.2 billion worth of goods this year, 35.4% higher than last year, and imported goods worth US\$2.37 billion, 14.5% higher than last year. Vietnam exported 3.7 million tons of crude oil (a 10% increase), 1.5 million tons of coal (a 99.5% increase), 1.27 million tons of rice (a 31.7% increase), 115,000 tons of coffee (a 25.4% increase), and 45,600 tons of rubber (a 0.7% increase). Vietnam imported 650,000 tons of fertilizer (a 43.4% increase), 2.74 million tons of oil products (a 15.7% increase), 380,000 tons of cement (a 88.5% increase) and 111,000 tons of sugar (a 174.8% increase). Only 804 cars were imported, a 78.1% decrease from the first half of 1994.

#### US business updates

◆ **Dresser begins business** - On 23 June, Dresser Industries Inc. announced that it has received a 25-year business license to establish a wholly-owned company, Dresser Oil Services Vietnam Ltd., to provide oil technology services. Dresser opened its representative office in Hanoi earlier this year [see *Digest*, 27 Jan].

◆ **Judge dredge** - On 16 June, the *Baltimore Sun* reported that Baltimore-based Ellicott Machine Corporation International finalized a US\$12 million contract to supply two 450-ton dredges to the Ministry of Transport and Communications equipment purchasing enterprise, VINAWACO, and to upgrade five still-operative dredges that the company sold to Vietnam decades ago [see *Digest*, 7 Oct 94]. The first dredge will go to Ha Tien province to deepen a channel on the Mekong River, enabling a new cement plant to ship its products downstream for export. The other will go to Haiphong. The contract received financing from ANZ Bank, with backing from the state of Maryland.

◆ **Tiny bubbles** - The *Vietnam News Agency* reported on 30 June that Procter & Gamble has been granted a license to establish a joint venture with the Oriental Company of Vietnam in Song Be province. The US\$14.3 million project will produce soap, toothpaste, detergent and shampoo. The Anglo-Dutch group Unilever Plc. also received licenses to establish plants in Hanoi and HCMC to produce soap, shampoo, and detergents.

◆ **Hotels to expand** - Super 8 Motels Inc. and Howard Johnson Franchise Systems Inc. last week announced plans to expand into Asia through a master license agreement with Hospitality Systems Asia-Pacific. Pte, Ltd (HSA). As Master Licensee, HSA will sell franchises and develop a system to support franchises. HSA has been granted an option to develop properties in several Asian countries, including Vietnam, Cambodia and Laos.

◆ **Travel agents visit** - A 31-member delegation of the American Society of Travel Agents (ASTA), led by President and CEO Jeanne Epping, recently visited Vietnam. On 11 June, the ASTA group met with Bui Xuan Nhat, Deputy General Director of the Vietnam Tourism Administration (VTA). Epping said she hopes Vietnam's tourism agents will soon take part in ASTA and cooperate with ASTA members in travel advertisement and other related fields of tourism cooperation.

◆ **US edge on army phone system** - On 25 June, the *Vietnam Investment Review (VIR)* reported that the Electronics Communication Equipment Co., owned by the Ministry of Defense, is reviewing bids by US, Japanese and European firms to take part in a new national telephone network. The government decided last year to end the monopoly of the Directorate General of Posts and Telecommunications by allowing the Defense Ministry's communications branch to establish a new network [see *Digest*, 3 Jun 94]. According to *VIR*, "certain American companies already have a head start on the bidding process."



## VIETNAM

## VAF assists with medical emergency

To assist Vietnam, which is facing a serious outbreak of Japanese encephalitis-B [see *Digest*, 23 Jun], Vietnam Veterans of America Foundation (VVA) is providing 200 doses of Mannitol to the Institute for the Protection of Children's Health in Hanoi. Astra USA, Inc. donated the medicine. VVA's humanitarian shipment includes other pharmaceuticals and medical equipment donated by Merck & Co, Schering Plough, Glaxo, Pfizer, and Searle. A Congressional delegation, led by Senator Tom Harkin (D-IA), is delivering the medical donations, which are scheduled to arrive in Hanoi on 3 July.

## Environmentalist receives Pew grant

On 23 June, the Pew Scholars Program in Conservation and the Environment announced that it has awarded US\$150,000, to be used over the next three years, to Dr. Vo Quy, director of the Center for Natural Resources and Environmental Studies at National University in Hanoi. Dr. Quy will use the award to address management problems facing Vietnam's national parks and nature reserves. The 11 honorees named as 1995 Pew Scholars also include conservation scientists from the US and Sweden.

## Dissidents arrested

On 27 June, Human Rights Watch/Asia (HRW/A) released a report criticizing Vietnam for arresting two dissidents closely associated with the Communist Party, and threatening to arrest a third. The HRW/A report states Do Trung Hieu, a founding member of the Club of Former Resistance Fighters, was arrested in HCMC on 13 June, then released and rearrested on 14 June. Hieu was previously arrested in April 1990 along with US businessman Michael Morrow [see *Digest*, 11 May 90]. Tran Ngoc Nghiem, also known as Hoang Minh Chinh, former director of the Institute of Marxist-Leninist Philosophy, was arrested in Hanoi on 14 June. According to HRW/A, both Hieu and Nghiem were arrested under charges of "anti-Socialist propaganda." The third individual, Nguyen Ho, was visited by police at his HCMC residence on 23 June, and threatened with arrest. "We are deeply concerned about the health and safety of all three," Mike Jendrezczyk, HRW/A's Washington director, said.

## US hash runner sentenced

John Joseph Daniels, 51, of Long Beach, Ca. was sentenced to 20 years in prison and fined US\$200,000 for smuggling hashish into Vietnam. Daniels and two Thais were arrested in April 1994 on a boat carrying 3530 pounds of hashish from Thailand, which they planned to send to Indonesia and the US. An officer of the US Liaison Office in Hanoi was present at the two-day trial in Minh Hai province. The Thais received sentences of eight and 12 years. About 12 American citizens are in Vietnamese prisons, charged with crimes ranging from smuggling to subversion. All but Daniels are believed to be of Vietnamese origin.

## International relations

◆ **Canada** - Vietnam and Canada held talks on an air services agreement on 28 June. Canada also announced it will provide Vietnam with C\$8 million (US\$5.6 million) in aid to advise Vietnam's Finance Ministry over the next five years on policy development and banking systems. Canadian diplomats in Hanoi said the strain in relations, caused by a statue erected in Ottawa by Canadian-Vietnamese [see *Digest*, 19 May], had ended, and that either Foreign Minister Andre Ouellet or Raymond Chan, Secretary of State for Asia-Pacific Affairs, would visit Vietnam soon.

◆ **Iraq** - On 28-30 June, Iraqi Vice-President Taha Yassin Ramadan paid an official visit to Hanoi to discuss economic cooperation and other bilateral issues. Ramadan met with his Vietnamese counterpart, Nguyen thi Binh, and other senior officials. At a press conference on 30 June, Ramadan said Vietnam repeated its support for an end to the UN trade and economic embargo against Iraq. Ramadan said that there was no problem over Vietnam's debt for aid given to Hanoi during the Vietnam War, and that Vietnam has been repaying this debt in kind for years by sending rice and Vietnamese workers to Iraq.

## Other updates

◆ **Spratly marine life** - On 27-30 June, scientists from ten countries met in Hanoi to discuss the preservation of marine life in the South China (Eastern) Sea. Participants included experts from five of the six countries that claim the Spratlys - China, Malaysia, the Philippines, Taiwan, and Vietnam - and Cambodia, Indonesia, Laos, Singapore, and Thailand. At the opening session, Deputy Foreign Minister Vu Khoan said the meeting was called to promote peaceful negotiations and cooperation.

◆ **Stock market** - On 27 June, the *Vietnam News Agency* reported that Prime Minister Vo van Kiet issued an order establishing a board to prepare for the development of a stock exchange. The board will draft legal documents on securities and the market, draft decrees on the formation of a State Stock Committee, and select officials to run the exchange.

◆ **McNamara: Hoi Ky** - The National Political Publishing House has released 3000 translated copies of the book *In Retrospect: The Tragedy and Lessons of Vietnam*, by former US Defense Secretary Robert S. McNamara. The translated version includes a publisher's preface, which states: "McNamara's assessments and conclusions may be different, even contrary, to ours. Nevertheless we hope this book will provide our readers useful information, helping us to a deeper understanding of our nation's great struggle." Publication of the book is an apparent breach of international copyright law. "They published the book without requesting permission," said an official with Times Books, a division of Random House. "We will simply be in touch with the Vietnamese publishers and anticipate our standard royalties."



## CAMBODIA

## Rainsy fallout

On 24 June, the US State Department released a statement expressing "disappointment" over the 22 June expulsion of Sam Rainsy from the Cambodian parliament [see *Digest*, 23 Jun]. "We and other firm supporters of Cambodia's democratic government are concerned that the expulsion will sully Cambodia's international image with regard to respect for rule of law and for open political debate on national issues," it said. On 26 June, Australian Foreign Affairs Minister Gareth Evans released a statement declaring that the international community has an abiding interest in Cambodia upholding democratic principles. Evans said he hoped Rainsy's expulsion would not have wider implications for free speech in Cambodia. In a 24 June statement, King Norodom Sihanouk said: "I have always considered H.E. Sam Rainsy as a patriot, honest and competent. I have ardently supported the retention of Sam Rainsy in the Royal Cambodian Government, FUNCINPEC, and the National Assembly of the Khmer Kingdom." However, Sihanouk also criticized Son Chhay, a member of the Buddhist Liberal Democratic Party, for saying Rainsy's expulsion will evoke anti-royalist feelings because of the involvement of First Prime Minister Prince Norodom Ranariddh. Sihanouk accused Chhay of having long-sought "the death of the Khmer monarchy."

## Hostage killer saga continues

On 26 June, Chuon Samnang, still in custody in Sihanoukville [see *Digest*, 23 Jun], confessed to the killing of three Western hostages in April 1994. Samnang is the nephew of Khmer Rouge commander Sem Bo. A Sihanoukville police official said Sem Bo ordered the hostages killed after accusing them of "putting a colonial yoke on Cambodia." In confessing, Samnang said, "I am very regretful, I am an uneducated man. I would have been shot if I had refused the order." Samnang has been handed over to the provincial court to face murder charges, and faces 10-20 years in prison if found guilty. Samnang could receive a reduced sentence if he provides information leading to the arrest of four others suspected in the killings. According to information supplied by Samnang a sixth suspect has died.

## Indonesian FM visits

Indonesia's Foreign Minister Ali Alatas led a 14-member delegation of government officials and business executives to Cambodia on 27-29 June. Alatas met with King Norodom Sihanouk, and extended an invitation from President Suharto to the King to visit Jakarta, which was accepted. Indonesia pledged to donate a patrol boat for the Cambodian navy, and uniforms to the national police. Alatas said Indonesia is willing to help Cambodia restructure its military and to provide non-lethal military aid. Alatas also said Cambodia might benefit from the Indonesian army's experience in providing civic aid. "Our army is very well-known for cooperating with local villagers in building bridges, in building roads, in teaching them the right methods of farming and planting," Alatas said.

## Crackdown on illegal logging

On 17 June, *Rasmei Kampuchea* reported that Minister of Agriculture, Forestry and Fishing Tao Senghuot said the government will use tanks, helicopters, and the armed forces to capture and seize boats smuggling timber. The government seized 34 boats in Koh Kong province carrying illegally cut timber on 10-11 June. Military officials in Sihanoukville said the multimillion dollar coastal trade in illegal timber will soon be a thing of the past. On 29 June, Finance Minister Keat Chhon said logging can resume, but new felled logs will be used for the domestic market. "The preservation of the forest does not mean we don't chop down trees at all. We do it by sustainable management."

## Ship hijacked

On 21 June, the Panamanian-registered freighter Hye Miekko left Singapore for the Cambodian port of Kas Kong. The freighter had a crew of 14, and was carrying US\$2 million worth of cigarettes and photographic equipment. Radio contact with the ship was lost on 23 June. The ship's owner, William Tay, said the boat was hijacked by a Chinese patrol boat and taken to the port of Shanwei in southern China. On 30 June, China confirmed that the Hye Miekko was in Chinese custody. "It had not been reported to us that the freighter was arriving," a Chinese official said. "It veered off course and entered our territorial waters. We have informed the police and the case is under investigation." Tay said another of his ships was hijacked in the same area in March and taken to Shanwei, where the cargo of cigarettes was stolen and the crew was forced to sign statements that they were cigarette smugglers.

## ASEAN aspirations

An international seminar, sponsored by the Cambodian Institute for Cooperation and Peace, was held in Phnom Penh on 26-27 June to make preparations for Cambodia to assume ASEAN observer status in late July. Regarding full membership, First Prime Minister Prince Norodom Ranariddh said: "I don't see any possibility this year or next year, but maybe in 1997. We still have a big gap between ASEAN members and ourselves and so we have to work much harder to be really a useful, meaningful member of ASEAN." On 30 June, the National Assembly voted to support efforts to seek full membership in ASEAN. Some lawmakers questioned Cambodia's ability to afford membership, which requires an admission fee of US\$1 million and annual expenses of about US\$600,000. "We don't even have a budget to reconstruct the country," one lawmaker said.

## LAOS

## UNDP road aid

On 26 June, the UN Development Program (UNDP) agreed to provide US\$500,000 for planning and developing rural roads in Oudomsay and Luang Namtha provinces in the north and Savannakhet province in the south. A UNDP statement said the project will help fight poverty by paving the way for better access to markets and social services to people in the rural areas.

**REGION****Russia-Indochina parliament discussions**

A Vietnamese National Assembly delegation, led by Dao Dinh Luen, completed a visit to Moscow on 28 June. The delegation discussed methods of increasing contacts between the parliaments of Russia and Vietnam. A Russian parliamentary delegation visited Cambodia on 27-29 June, and met with the Chairman of the National Assembly Chea Sim. The delegation departed for Vientiane on 29 June.

**US POLICY****Pentagon's papers**

On 29 June, the US Defense Department released its analysis of 116 MIA documents, comprising 187 pages, which were provided by Vietnam to a US presidential delegation on 15 May. The Defense Department said the documents "demonstrated Vietnam's effort to more systematically review archival materials outside Hanoi and turn over this material to the US government. This particular group of unilaterally collected documents is the most detailed and informative of the reports received to date." According to the Defense Department, another set of 44 documents totaling 86 pages, provided to a Congressional delegation on 30 May, also "contain new leads which will assist in the accounting process."

**REFUGEES****Phanat closed**

On 28 June, Thailand officially closed its Indochinese refugee camp at Phanat Nikhom in Chonburi province. Over 700,000 refugees passed through the camp, which opened in 1980. There are still 10,000 displaced people from Indochina in two other Thai camps. A majority of the remaining displaced persons are from Laos.

**FYI****Vietnam Airlines sales rep in Washington**

On 2 June, Vietnam Airlines signed an agreement with the Washington, DC-based tour operator, The Global Spectrum (TGS), to be the eastern US regional authorized passenger sales agent of Vietnam Airlines. The agreement enables The Global Spectrum to issue tickets for Vietnam Airlines flights on Vietnam Airlines stock, which will help resolve problems travelers may face as they fly to Vietnam on US-issued tickets through one of the gateway cities in Southeast Asia. The Global Spectrum also offers a full range of tour services to Vietnam. For more information or to order brochures, call 800-419-4446, or write to The Global Spectrum at 1901 Pennsylvania Ave, NW, Suite 204, Washington, DC 20006.

The *Indochina Digest* is published weekly by the Indochina Project, a non-profit program of the Vietnam Veterans of America Foundation. Articles are based on wire service stories, published news accounts and staff reporting from a broad network of primary sources. Reprint of Digest material is encouraged, but attribution is requested. Reader contributions, corrections and comments are invited. If you would like more information on any of these articles or to subscribe to the *Digest*, contact the Indochina Project.

**Indochina****Project**

2001 "S" St., NW, Suite 740  
Washington, DC 20009  
USA  
Phone: (202) 483-9222  
Fax: (202) 483-9314