



Indochina

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TRADE/INVESTMENT

Northern Telecom gets Vietnam contract

On 18 August, Canada's Northern Telecom Ltd (Nortel) announced that it was selected by the Vietnamese telecommunications authority and Australia's Telstra International Ltd to provide a 3000-km fiber optic telephone network between Hanoi and HCMC. Nortel's its high-speed, high-capacity SDH (synchronous digital hierarchy) technology will be the first 2.5 Gbit/s "add drop" (STM-6ADM) network of its kind in Southeast Asia and one of the longest Nortel ring networks in the world. "Foreign investment in banking, oil, mining and tourism is triggering a 65% increase in Vietnam's international telephone traffic every year, and SDH technology can pave the way to increased compatibility and efficiency at worldwide telecoms gateways," said James Deas, President of Nortel Asia South Pacific.

Vietnam updates

◆ **Australian firm withdraws** - On 16 August, Australia's Wesfarmers Ltd announced its withdrawal from a joint venture to distribute and market liquefied petroleum gas in Vietnam [see *Digest*, 24 Jun 94]. Managing director Michael Chaney said the decision was influenced by significant changes in Vietnamese taxes and import duties and changes in the conditions of Wesfarmers' joint venture agreement with the Vietnamese Petroleum Import-Export Corp (Petrolimex). When asked how Wesfarmers' withdrawal would be viewed by other potential investors in Vietnam, Chaney said: "The message is that the Vietnam economy is at an early stage of development."

◆ **Australian polymer plant** - On 18 August, Australian Chemical Holdings Ltd announced that it received a licence for a wholly owned company, Cong Ty A.C.H. Polymers (Vietnam). The US\$2.4 million plant will be constructed at the Bien Hoa Industrial Zone, and will make a range of polymers for the paint industry and other industrial users, with a significant proportion of output targeted to exports.

◆ **Bayer** - Germany's Bayer AG announced 16 August that it has established a joint venture to produce and market animal health care products in Vietnam [see *Digest*, 28 Jul]. Bayer will hold a 51% stake in Bayer Agritech Saigon, with its two partners each holding 24.5%.

◆ **Thai exports** - On 5 August, the Thai Farmers Research Center published a report stating that Thailand's exports to Vietnam will increase as a result of Vietnam's entry into ASEAN. Thailand currently earns 2.3 billion baht (US\$92 million) from exports to Vietnam, and it is the third largest ASEAN investor in Vietnam, after Singapore and Malaysia.

◆ **Citibank buys t-bills** - Citibank said it was among the successful bidders in last week's auction of Vietnamese T-bills [see *Digest*, 11 Aug]. Citibank successfully bid for 10 billion dong (US\$910,000) worth of T-bills with a six month tenor and an annual interest rate of 17.2%.

◆ **Demand for electronic goods rises** - Vietnam's demand for electronic goods has been increasing rapidly since the beginning of the 1990s, *Vietnam News* reported 16 August. Since 1991, Vietnam's annual output of television sets has increased six-fold to 800,000 units, but the country still imports up to 350,000 sets annually. The growth in demand for goods such as VCRs, cassette-recorders, refrigerators and washing machines is attributed to an overall improvement in living standards.

Cambodia to export beer

On 8 August, the *Cambodia Daily* reported that officials of the Cambrew Co., which produces Angkor beer, are holding preliminary talks to export beer to France, Germany, and the US. The Cambrew Co., based in Sihanoukville, exports 11,000 cases of Angkor beer every two months to Japan, where it is regarded as a "speciality beer."

Yunnan cultivates border trade

Vietnamese Minister of Trade Le van Triet and Laotian Minister of Trade Sompadith Volasane were among those who met with Yunnan Province government officials at the '95 Kunming Import and Export Commodities Fair, which opened 8 August in China. The officials discussed the development of highways, investment in running factories, and cooperation in exploring natural resources. They also signed a series of agreements on projects of economic cooperation and trade.

VIETNAM

Top official visits US

Hong Ha, a senior member of Vietnam's Communist Party and head of its foreign affairs department, began an 11-day visit to the US on 12 August, sponsored by the Ford Foundation. Ha was scheduled to meet with American scholars and officials at universities, think tanks, and political institutions during his visit to San Francisco, Atlanta, Washington, and New York City. At the State Department in Washington on 17 August, Ha met with acting Assistant Secretary of State Thomas Hubbard and Desaix Anderson, the new charge d'affaires at the US embassy in Hanoi. On 18 August, Ha met with Assistant Secretary of Defense Joseph Nye.



Monk sentenced

On 15 August, Vietnam sentenced Buddhist monk Thich Quang Do, a leader of the banned Unified Buddhist Church of Vietnam (UBCV), to five years in prison for "undermining the policy of solidarity," a national security crime in Vietnam's criminal code, and for "taking advantage of the right of freedom and democracy to damage the interests of the government and social organizations," according to the *Vietnam News Agency (VNA)*. Five others, including three monks, were given sentences ranging from two years' house arrest to four years in prison. Foreign human rights activists said Do was accused of publishing a criticism of the Communist Party, hanging signs outside his HCMC pagoda identifying it as belonging to the UBCV, and sending faxes to overseas Buddhists accusing the government of obstructing a church-sponsored relief mission.

Dissidents sentenced

On 12 August, the *Vietnam News Agency (VNA)* reported the sentencing of seven Vietnamese and two Vietnamese-Americans after being found guilty of a "very serious violation of national sovereignty and national security" and "acting to overthrow the people's government." The nine men will serve jail terms ranging from four to 15 years. The group, *VNA* said, had set up an illegal opposition party in June 1992 in HCMC with subversive aims. Computers, documents, including political manifestos, and forged money had been seized from their homes.

A representative of the US embassy in Hanoi was allowed to attend the trial. The two Vietnamese-Americans, Nguyen Tran Tri and Tran Quang Liem, were sentenced to seven and four years respectively, and will be deported after completing the sentences. On 15 August the US criticized Vietnam for jailing the two Americans and said such a move will make it harder for Hanoi to win trade benefits from the US Congress. In response, Vietnamese Foreign Ministry spokeswoman Ho The Lan stated on 17 August that Vietnam is "willing to continue a dialogue" on human rights with the U.S. "as a global issue" but not as a condition for the trade and economic relations between the two countries.

Solving traffic problems

Official statistics show that approximately 13,760 traffic accidents took place throughout Vietnam in 1994, killing 4897 people and injuring 14,000 others. In the first quarter of 1995, an average of 32 accidents occurred each day with the most severe situation in HCMC. In order to deal with growing traffic problems, the government last week enacted a decree aimed at widening roads, clearing pavements and enforcing traffic rules. Lack of funds remains a problem in improving the road network and public transportation.

Satellite plan

Vietnam is considering plans for a domestic telecommunication satellite. Several international companies, including Hughes Network Systems Inc. and Matracom of the US, France's Alcatel and Australia's Telstra, are discussing the plan which will cost approximately US\$200 million. As of July, there are approximately 600,000 telephones in Vietnam.

Viet-Thai finance committee

On 15 August, Vietnam and Thailand reached an agreement to set up a joint committee on financial matters. The agreement came at the close of a three-day visit by Thailand's Finance Minister, Surakiat Sathienthi, and a delegation of the Thai Bankers Association. Both sides will share experience in monetary and fiscal policy, taxation and regional development, and will cooperate on training. The Thai government also initiated the establishment of an Indochina development fund to grant low interest funds for development projects in Indochina [see *Digest*, 11 Aug].

Tourist visa extensions halted

On 14 August, the *Associated Press* reported that Vietnam will no longer renew tourist visas inside the country under a new rule that went into effect on 12 August. The restriction does not apply to foreigners visiting on business, diplomatic or journalist visas. Vietnam routinely issues tourist visas valid for one month.

CAMBODIA

Six detained

On 5-6 August, six were arrested and detained for attempting to distribute anti-government pamphlets during US Secretary of State Warren Christopher's visit to Cambodia. The leaflets accused the government of corruption, human rights abuses, robbing the people and rice fields, and accused FUNCINPEC's leadership specifically of corruption and "victimizing those in favor of the nation and democracy." The pamphlets called on Christopher to help Cambodia abide by the principles of human rights, democracy, freedom of expression and the right to speak out against government's corruption. The six were charged with inciting others to commit a crime. Amnesty International demanded the unconditional release of the six men, stating that the arrest clearly violated the right of freedom of expression which has been steadily undermined in Cambodia.

The pamphlet's author, Sith Kosaing, appealed for his five colleagues to be immediately freed, saying they were only hired and were innocent of any political protest. During the trial, Sith said: "What I have done is to encourage people of goodwill and spirit to stand up and speak of democracy."

Combating drug trafficking

On 12 August, Cambodian authorities stepped up a crackdown on drug trafficking by closing Sre Ambel port, believed to be a major center for illegal drug trafficking, soon after signing an anti-narcotic agreement with the US. Under the US\$325,000 anti-drug agreement, Washington will provide Cambodian police with a drug-testing laboratory and a special testing kits. Drug officials fear that Cambodia is becoming a major transshipment center for international drug smugglers. It is estimated that up to 600 kg (1320 lb) of heroin move through the country every week. More than 100 anti-drug police and staff have been dispatched to sea ports, airports and border checking points.



Khmer Rouge updates

◆ **Leaders rule out deal with Khmer Rouge** - On 15 August, Cambodian government leaders stated that they will not negotiate with Khmer Rouge guerrillas unless the rebels unconditionally lay down their arms and surrender the areas under their control. The statement was an apparent response to a seemingly conciliatory broadcast on 11 August by Chan Yuran, a senior Khmer Rouge leader, which stated that if there is an initiative of negotiation, the talks could be held anywhere: Bangkok, Paris, Phnom Penh or New York.

◆ **Internal feud** - On 14 August, 4th Military Region Commander, Lieutenant-General Khan Savoeun said that recent rebel defectors confirm that internal feuding and distrust are weakening the Khmer Rouge. Savoeun stated that, because of the feuding, guerrillas in the north have been divided into three categories: the pure Khmer Rouge, those who were former FUNCINPEC fighters or former members of the Khmer People National Liberation Front (KPNLF) (now known as the Buddhist Liberal Democracy) and soldiers who have defected from the government army. The categories connote differing degrees of loyalty.

◆ **Genocide to be discussed** - The Cambodia Genocide Program (CGP), a program of Yale University with funding from the US State Department, will host a conference on 21-22 August to hear evidence and seek ways to prosecute Khmer Rouge leaders on mass murder charges stemming from the 1970s "killing fields" era. Craig Etcheson, manager of CGP, said "One aim of the study is to summarize recent international legal developments to determine what might be applicable in the Cambodian context."

LAOS

ADB urban development project

On 17 August, the Asian Development Bank (ADB) approved a US\$20 million loan, and a US\$700,000 technical assistance grant, to improve the urban development of Vientiane. The loan will establish an institution to manage Vientiane's urban development, including infrastructure, drainage systems, and waste-removal. "The project will mitigate flood damage, reduce the incidence of disease, and confer productivity benefits citywide. Traffic congestion and pollution will also be reduced," the ADB said. The loan will finance 80% of the total project cost of US\$27.7 million. Japan is expected to contribute US\$2.71 million for the solid waste management part of the project.

REGION

Pacific naval forum

On 15-16 August, naval officers from 15 Pacific nations met in Jakarta to promote cooperation among their forces and discuss current conflicts in the region. Participating nations included Australia, Brunei, Cambodia, Malaysia, Indonesia, Japan, New Zealand, Papua New Guinea, the Philippines, Thailand, Singapore, South Korea, Tonga, the US, and

Vietnam. "The informal forum is intended to build confidence among the navies in the region," Indonesia's First Admiral Arief Kushariyadi said.

REFUGEES

Vietnamese repatriation

On 15 August, 85 Vietnamese detainees returned home from Hong Kong on the 24th flight under the orderly repatriation program (ORP). Most of them arrived in Hong Kong in 1988 and 1989. The total number of Vietnamese repatriated on ORP flights since November 1991 has reached 1456. The Hong Kong government is determined to repatriate all screened-out Vietnamese detainees because "there is no future for them in Hongkong and the best option for them is to volunteer to go back to Vietnam," the Acting Refugee Coordinator Gordon Leung said.

In Malaysia, the deadline for the repatriation of Vietnamese has been extended to the end of this year from the earlier-set 31 August because of the detainees' reluctance to return home voluntarily. The remaining Vietnamese in the camp "will be sent home under the orderly repatriation program instead of voluntary means," said the director of Malaysia's National Task Force for Vietnamese Refugees Yaacob Daud. The process, beginning next month, will be done in stages.

FYI

Vietnam on CD-ROM

◆ **Global Monitor-Vietnam** - InSync Imaging has recently released its updated CD-ROM on doing business in Vietnam. Global Monitor-Vietnam contains over 20,000 pages of text, graphs, maps, and photographs, compiling information from over 20 sources from government agencies, financial institutions, to various private research facilities, including Baker & McKenzie, the *Saigon Times*, and *Vietnam Economic News*. The latest version also includes back issues of the *Indochina Digest*, dating back to 1991. The cost of the CD-ROM is US\$995 for companies and US\$370 for individuals. InSync Imaging is offering a 20% discount to subscribers of the *Indochina Digest* (US\$795 for companies and US\$295 for individuals). For more information about the CD-ROM, contact InSync Imaging at 2323 South Voss, Suite 230, Houston, TX 77067; Tel: 713-975-6691, 1-800-801-2342; Fax: 713-975-0249; Internet: insync@sam.neosoft.com.

◆ **Passage to Vietnam** - The CD-ROM version of *Passage to Vietnam* is now available from Against All Odds Productions [see *Digest*, 11 Nov 94]. The book and the CD-ROM are published by Rick Smolan. In the Spring of 1994, Smolan and 70 award-winning photojournalists traveled throughout Vietnam, making a photographic documentary. The CD-ROM allows viewers to interactively visit Vietnam with the photojournalists. The *Passage to Vietnam* CD was selected as the best title of the year in the *NewMedia Invision Awards* competition. The CD is available at software stores and selected bookstores. For more information, call Against All Odds Productions at 415-331-6300.



Autumn conferences

◆ **Indochina transportation** - On 30-31 October, the Asia Business Forum (ABF) will sponsor a conference, "Integrating the Indochina Transport System", in Singapore. The conference will cover issues on development of the transportation section in Cambodia, Laos, and Vietnam, and include topics such as port development, business opportunities in the Mekong region, investment considerations for railways, roads and highways, and finance structuring for transportation systems. For more information, contact ABF at 140 Robinson Road, #06-01 Chow House, Singapore 0106; Tel: 65-227-6772; Fax: 65-222-6869.

◆ **China & Vietnam** - On 20-21 September, the Institutional Investors Consulting Company (IICC) and the Center for Investment Research will sponsor a conference, "Investment Opportunities in China and Vietnam", at the Hyatt Regency, Fisherman's Wharf, in San Francisco. For more information, contact Richard Abel, Conference Manager, 707-573-0583, or fax 707-573-082.

Back to school reading list

◆ **The Strategic Quadrangle** - *The Strategic Quadrangle: Japan, China, Russia, and the United States in East Asia* focuses on the policies of these four major powers in the post-Cold War era and analyzes how the interactions among them will affect East Asia and the international arena. The book, edited by Michael Mandelbaum, Director of the Project on East-West Relations at the Council on Foreign Relations, costs US\$16.95. For more information, contact the Council on Foreign Relations at 212-861-2759.

◆ **Doing Business in all of Asia** - *Doing Business in Asia: The Complete Guide* is a comprehensive guide to doing business in all of Asia. The book provides information on the political structure, economy, and social customs of each country, and recommends ways to make contacts, negotiate, and conduct business in a social setting. It covers 20 countries, including Cambodia, Laos, and Vietnam. This 600 page book, published by Lexington Books, costs US\$23.00 and can be ordered by calling 1-800-323-7445 in the US, or 212-702-4771.

◆ **Education in Vietnam** - The Institute for Southeast Asian Studies (ISEAS) in Singapore recently published *Higher Education in Vietnam: Change and Response*, edited by David Sloper and Le Thac Can. The 250-page book costs US\$34.00 (hardcover) or US\$26.00 (soft cover). ISEAS has also published two books on APEC, *View from the 19th Floor: Reflections of the first APEC Executive Director*, and *APEC: Challenges and Opportunities*. For more information, contact Managing Editor, ISEAS, Heng Mui King Terrace, Pasir Panjang, Singapore 0511; Fax: 65-775-6259.

◆ **Vietnam development issues** - The Australian National University has published *Dilemmas of Development: Vietnam Update 1994*, edited by Benedict J. Tria Kerkvliet. The book, which includes chapters written by Melanie Beresford and John Gillespie, analyzes political debates, environmental problems, legal reforms, and changing labor relations in Vietnam. For more information, contact: Dept. Political and Social Change, Research School of Pacific & Asian Studies, Australian National University, Canberra 0200 ACT, Australia; Fax: 616-2495523; Tel: 616-2495915.

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