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HIGHLIGHTS

AID. Sweden is to grant US$100 million in aid to Vietnam over the next two years. The Vietnam News Agency reported that half of the aid package is to be in the form of goods and the balance in technical assistance. The Vietnam News Agency cited an interview given to the Vietnamese monthly *International Relations* by Sweden's ambassador to Vietnam.

AIR SERVICE. Malaysia Airlines (MAS) and Vietnam Airlines signed a memorandum of understanding to operate the Kuala Lumpur-HCMC service on a joint venture basis. MAS, operating Boeing 737-400s, has a load factor of about seventy-five percent while Vietnam Airlines, operating Russian-built TU134s, has a load factor of forty percent.

AQUACULTURE. The November 28, 1990 *Bangkok Post* reported that Thailand and Vietnam have formally agreed to jointly develop the fisheries industry and further strengthen bilateral relations. The Director General of Thailand's Fishery Department said the two nations agreed to cooperate for twenty years in developing the fishing, shipyard, cold storage, processing, fishmeal, canning and aquaculture industries. Two companies, Thai-Vietnam Fisheries Co. of Thailand and South-West Fisheries Exploitation and Services Co. of Vietnam, will be formed to liaise on the development of the cooperation.

BAN. In late November, the Singaporean government reaffirmed its ban on investment in Vietnam following press reports that two Singaporean companies had been involved in hotel projects in Vietnam.

BANKING. The State Bank of Vietnam and local authorities have disciplined 1,741 officials as part of a drive against corruption, Radio Hanoi reported. The bank has also taken steps to recover about 10.84 billion dong misappropriated during 1988 and 1989. The bank has collected 11.28 billion dong in delinquent debts.

CAMBODIA. *Nhan Dan* reported that Vo Chi Cong of Vietnam, Heng Samrin of Cambodia and Kaysone Phomvihane of Laos met in Vientiane (Laos) on December 2, 1990, to discuss how to solve the Cambodia problem. The three nations agreed on a "global solution based on the realities of Cambodia and respect for Cambodian sovereignty in line with the United Nations Charter." *Nhan Dan* wrote that "The peace plan should also aim to avoid the risk of the return of the Khmer Rouge."

COMMUNICATIONS. According to the Vietnam News Agency, Belgium-based DHL Worldwide Express, who has been providing courier service to Vietnam through an agency agreement with the post office, entered into a joint venture with the International Communication Service and Development Company of the HCMC Post Office. DHL is to provide personnel training and equipment, which will be beneficial to its 1,500 customers in HCMC.

Australian-based TNT Skypack entered into a joint venture with Vietrans, a Vietnamese transport operator. The joint venture, TNT Vietrans, has offices in HCMC and Hanoi and operates its own delivery vans.

CORRUPTION. Vietnam has disciplined, dismissed or tried thousands of officials in a massive campaign to eliminate corruption. *Nhan Dan* reported that more than 18,000 officials from bank directors to policemen have been incriminated since the campaign began in July. Nguyen Van Dang, deputy editor-in-chief of the *Tap Chi Cong San*, said "The real crime in our society is when one individual abuses another. This is what we are concentrating our efforts on."

DEFECTION. The December 12, 1990 *Asian Wall Street Journal* printed excerpts from an open letter written by Colonel Bui Tin, the deputy editor-in-chief of *Nhan Dan*, while in France on an official visit. France granted Bui Tin, aka Than Tin, permission to remain in the country. The letter stated, in part, that "Every Vietnamese is troubled by the country's present situation. There are acute economic problems, a return of galloping inflation, mounting prices and daily erosion of living conditions of civil servants and cadres. Bureaucracy, irresponsibility, egoism, corruption and fraud are becoming entrenched....There is an alarming deterioration of traditional ethical, moral and spiritual values. There is confusion among the youth on whom the country's future depends....It is now necessary to build a democratic system really based on the people, with an option for socialism...."

ECONOMIC OUTLOOK. Hanoi hopes to end decades of poverty by the year 2000 and double its income, cut inflation to single digit and increase exports fivefold. An economic blueprint and political platform, "The Draft Strategy of Socio-Economic Stabilisation and Development up to the Year 2000," is to be debated nationwide before being submitted to the May 1991 Party Congress.

Phan Van Khai, head of the State Planning Commission, said that Vietnam has not met its target for national income growth, the *Quan Doi Nhan Dan* reported. The annual growth rate fell to 2.4 percent in 1990 from 2.7 percent in 1989 and 4.8 percent in 1986-88. Mr. Phan said that production of consumer goods had increased four to five percent in 1990, but this was less than the thirteen to fifteen percent growth that had been planned in 1985.

(continued on page 31)

HIGHLIGHTS (continued)

Nhan Dan published a critical assessment of the economic record of Prime Minister Do Muoi's government at the conclusion of the Communist Party's central committee plenum held November 17 — 26, 1990. The newspaper said that Vietnam's economic development was "not very effective" and that government leaders were indecisive and had failed to respond to the needs of a new system of management. The Vietnam News Agency said the plenum focused on economic issues, particularly economic orientation for 1991.

EDUCATION. The Paris-based Institut Superieur de Gestion (ISG), through an agreement with Thang Long University in Hanoi, is offering two private scholarships in France for Thang Long University instructors. ISG also established a partnership with Thang Long University and the Societe Auxiliaire d'Enterpriese (SAE) to train two Vietnamese students beginning September 1991.

HOTEL. The Hotel Cuu Long (Majestic) in HCMC was damaged by fire, through no fatalities were reported.

INDUSTRIAL ZONE. The Vietnam News Agency reported that Vietnam is building an oil refinery on a 1,000-hectare industrial complex in Long Thanh, Dong Nai province, about sixty kilometers northeast of HCMC. The industrial complex will include petrochemical laboratories, an electricity plant with an annual output of 400 megawatts, mechanical workshops, a sawmill and automobile repair facilities. The industrial complex is designed to employ 14,000 people and will include a reservoir and the port of Go Dau on the Saigon River. The complex is scheduled to be completed in ten years with the oil refinery operational by 1995.

MIAs. Ten sets of remains that may be those of missing American soldiers were turned over to a US military team in Hanoi in later November the Vietnam News Agency reported. It was the thirty-second time that Vietnam had repatriated remains of Americans missing in action from the Vietnam War.

NORMALIZATION. At a December 5th conference on Vietnam in Washington, D.C., Deputy Assistant Secretary of State for East Asia and Pacific Richard Solomon said that Washington is prepared "to formally begin the process of US—Vietnam normalization" once the Paris Agreement on a Cambodian peace settlement is signed by all parties. Mr. Solomon noted that the US Administration is aware of the growing interest in the US in the normalization process with Vietnam.

Mr. Solomon said that any "normalization" of US—Vietnamese relations is likely to be gradual. Possible steps are US technical assistance for Vietnam and US acquiescence to a resumption of ADB, IMF and World Bank lending to Vietnam.

OIL. Fifteen foreign companies have provided bids to build Vietnam's first oil refinery, according to *Quan Doi Nhan Dan*. Royal Dutch/Shell Group, Petrofina SA of Belgium, Total-Cie Francaise des Petroles of France and five Japanese companies have bid for the contract, valued at about US$250 million. Vietnam will choose the contractor in mid-1991. General Nguyen Manh Tien, Deputy Director of the State-run oil firm Petrolimex, said "I think there will be a boom from the South China Sea. The offshore potential of Vietnam is great and it will boost the development of our oil industry." Mr. Tien said Vietnam hopes to have the refinery operational by 1994 or 1995.

PER DIEM. The Office of Foreign Assets Control amended the Foreign Assets Control Regulations to increase the amount that US persons may spend for travel-related expenses while in Vietnam. With effect from December 4, 1990, US persons may spend US$200/day on travel-related expenses.

PLURALISM. Vietnam's Communist Party reaffirmed its commitment to Marxism-Leninism and rejected a multi-party political system. The Party and the State are to be separated. The Party will remain the leading body, and the State will administer the whole country in accordance with the principle of democratic socialism.

PORT. A joint venture between the French company SCPA and five Vietnamese companies will rebuild the Thi Vai port in Dong Nai to accommodate up to 30,000-ton ships.

RICE. Vietnam exported 1.5 million tons of rice in 1990, a small increase over last year's exports but short of projections. According to Phan Van Khai, head of the State Planning Commission, Vietnam will produce 21.5 million tons of rice this year.

Hanoi Radio reported that 10,000 tons of rice were sent to Hanoi to reverse a threefold price increase in the past few days. No reason was given for the sudden increase in the price of rice in the nation's capital.

STATE FIRMS. Vietnamese legislators have called for the closure of unprofitable state enterprises and the reallocation of investment to higher-performance sectors, according to *Nhan Dan*. About eighty percent of 3,000 state enterprises suffer serious difficulties. According to a study published by *Nhan Dan* earlier this year, sixty-three percent of all enterprises lacked investment, almost fifty percent lacked outlets for their products and a third were losing money.

UNEMPLOYMENT. The army daily, *Quan Doi Nhan Dan*, reported that in the last year, the government had retired 90,000 people on pensions and granted 360,000 more unpaid voluntary layoffs. The job market has been flooded due to the massive army demobilization and the return of hundreds of thousands of workers from Eastern Europe and the Gulf.

YOUTH. A Hanoi Radio program reported that Vietnam's young people, including many in the army, have growing doubts about communism and are beginning to speak out. The radio said that questions about the party and the socialist ideal for which the party is struggling are necessary because "every time such an exchange of views takes place, it will help us to remain calm and look squarely at the situation in our country."

VIETNAM DELEGATION TO VISIT HONG KONG

The Hong Kong Trade Development Council, the Hong Kong General Chamber of Commerce and the General Representative of Vietnam in Hong Kong are hosting a delegation from Vietnam.

Dr. Le Van Nam, Director of the Construction Department of HCMC, Tran Thien Tu, President, General Director of IMEXCO and Director of the Foreign Economic Relations Service of HCMC, and Pham Chan Truc, Vice Chairman of the People's Committee of HCMC are expected to be in Hong Kong in mid-January, 1991.

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