

# **Report of the 11th APEC Australian Delegation to Vietnam**

**27 June 2007 to 3 July 2007**

## **Delegation Members:**

**Mr Anthony Albanese MP (Delegation Leader)**

**Mrs Megan Jeremenko**

**Ms Sarah Longmore**

**Mr Tony Snell**

**Mr Adam Wand**

**Mrs Kim Baker (Australian Political Exchange Council Officer)**



Outside the Presidential Palace, Hanoi

## **Introduction**

The delegation spent six days in Hanoi and Ho Chi Minh City.

During that time the delegation met with political leaders, senior departmental officials, media organisations and youth groups. The delegation also liaised with officials from the Australian Embassy in Hanoi. The objective of the visit was to promote bilateral discussion, understanding and dialogue between the two nations.

It is clear that Vietnam is going through a period of considerable economic growth and that those that participated in meetings were greatly interested in further building the relationship with Australia. Discussion was open and the delegation raised issues of political reform during meetings. Topics included economic issues, particularly the intergenerational challenge which Vietnam faces with so many of its population being relatively young. Australia has increased our economic relationship with Vietnam in recent years. It is clear that there is substantial opportunity for mutually beneficial investment to occur particularly in the services sector.

The delegation members all learnt a great deal about Vietnam, its people and its system of government during the time we spent in the country. Set out below is a summary of the meetings that were held with the Australian delegation during the visit. While the meetings were very useful, perhaps the most valuable part of the tour was the opportunity to meet people informally in the various gatherings organised by our hosts and the staff of the Australian Embassy.

We would like to thank our hosts in Vietnam for this unique and enjoyable opportunity. We would also like to thank the Australian Political Exchange Council (particularly Mrs Kim Baker who accompanied the delegation and Ms Pandora Livanes for arranging the administrative issues), and the staff of the Australian Embassy in Vietnam for all the work they put in organising our visit.

The work that APEC sets about is vital for the development of Australia's future. It not only provides the opportunities for delegates to gain skills and knowledge to better contribute to our government, parties and politics, but also to foster relations with other countries important to Australia.

The knowledge that all delegates gained about Vietnam - the political make-up, social aspects and a better understanding about the political relations between Vietnam and Australia will be of great benefit in future endeavours.

It is also important to note that the delegation visited several historic sites, including Ho Chi Minh's Mausoleum, the Literature Temple, Old Hanoi, The Unification Palace and the War Remnants Museum. These visits were important in gaining an understanding of the history of Vietnam and seeing the changes which have occurred over the centuries during some very challenging periods for the Vietnamese people.

## **Meeting with the Ho Chi Minh Communist Youth Union Central Committee**

The delegation met with Le Manh Hung, Permanent Secretary of the Ho Chi Minh Communist Youth Union.

The following is a summary of the presentation given by him.

### **Different Youth Unions**

#### Vietnamese Youth Union

The Vietnamese Youth Union is the largest group of its kind, comprising 11 million members, who are organised into 11,000 communes across Vietnam.

#### Ho Chi Minh Youth Union of Vietnam

The Ho Chi Minh Youth Union of Vietnam is the second largest with 5.7 million members. The main area of focus is on youth education, vocational training, boosting youth involvement in economic activities and developing government youth policy. There are representatives in the National Assembly, whose main aim is to help the poorer youth. All Vietnamese youth are welcome to join, regardless of ethnicity or location.

#### Vietnam Students Union

Is the third biggest organisation with over four million members, however it is only for students at college and universities.

#### National Committee on Youth of Vietnam

This is the government wing of youth affairs. It is strongly linked to the Ministry of Education and the Ministry of Culture. The function of the National Committee on Youth of Vietnam is to help the government implement youth policy. Its main policies include: boosting the literacy levels of youth; educating and nurturing youth talent; creating employment opportunities; and, providing educational opportunities for young civil servants. It also plays a coordinating role over other youth organisations.

#### Youth Volunteering

Each year six million young people are involved. There are approximately 27.5 million 'youth' in Vietnam. The Ho Chi Minh Youth Union has relations with over 200 groups and organisations across the world.

Following the presentation, members of the delegation asked questions about how Vietnam deals with the increased demand for education that has resulted from Vietnam's growing economy. The delegation also asked questions about how Vietnam gets such high numbers of young people involved in youth organisations.

The government in Vietnam has several strategies to deal with the increased demand for education and the need for a more highly skilled workforce that has come from high growth in the economy.

The government allows private and semi-private schools to offer increased salaries to teachers who teach in remote areas. They also organise councils in areas with low high school participation which are dedicated to improving participation rates.

The internet is now connected to 100 per cent of senior high schools and 70 per cent of junior high schools, even in remote areas.

Young intellectuals are also encouraged to go to remote areas for two to three years in order to pass on their skills. In return, they gain preferential treatment for employment in the big cities upon their return.

In terms of university education, government policy is to invite foreign investment into higher education. The government also actively encourages overseas study by Vietnamese students.

The government has many strategies for involving young people in youth organisations. They are best dealt with by describing the underlying principles which instruct them.

These are:

1. A commitment to tailoring programs suited to the needs of the different groupings within Vietnamese society, such as the different needs of rural and city communities.
2. The programs are geared towards volunteer work that benefits the participants and their communities, for example helping a community adjust to new agricultural technology.

### **Meeting with the National Assembly of Vietnam Departments and Committees**

The delegation met with Tran Thi Tam Dan (Member of the Standing Committee of the National Assembly, Chairman of the Department of Culture, Education, Youth and Teenager of the National Assembly), and Le Minh Hong, Vice Chairman of Department of Culture, Education, Youth and Children Committee.

They gave a presentation to the group outlining the history of the National Assembly of Vietnam.

### **National Assembly**

The National Assembly is in its 11<sup>th</sup> term. Its first term commenced on 6 January 1946 and has been in existence for 61 years. The National Assembly sits twice a year. A term usually lasts for five years.

The 2006 election for the 2007–2012 term elected 493 members, 25.7 per cent are women, 17.6 per cent are from ethnic minorities - 'youth' comprise 18 per cent of members.

25 National Assembly members are full-time. There is one full time member from each province or municipality and two each from Ho Chi Minh City and Hanoi.

### Committees

There are seven committees in total in the 11<sup>th</sup> session, each having a department under it. This will rise to nine in total and include a standing committee. There is a 13 member Standing Committee and an ethnic minorities council. The committees are as follows:

1. Law;
2. Jurisdictions;
3. Economic Affairs;
4. Finance / Budget;
5. Education, Culture, Youth and Children;
6. Social Affairs;
7. Defence / National Security;
8. Science, Technology and Environment; and
9. Foreign Affairs.

Committees exercise three main functions: legislation; supervision of related bodies; and, have a role in the decision making process.

For example, the work of the Education, Culture, Youth and Children Committee involves considering bills on media, cinema, child protection, sports, publishing and vocational training.

In the question and answer session which followed, members of the delegation asked questions concerning the work the National Assembly does, the kinds of bills it passes, the powers it has and its function.

Non-full time members, including Ministers, spend at least one third of their time on National Assembly work. They attend all National Assembly sittings and are required to interact with voters and understand their aspirations. The rest of the time the members work within their ministries.

Full time members attend the National Assembly and are required to interact with voters 100 per cent of the time. A specific organisation supervises non-full time members, counting the days they give over to National Assembly matters to ensure they meet the one third time requirements.

The National Assembly sits twice a year for 30 to 35 days. The agenda is decided by the Standing Committee.

Committee members are appointed from the National Assembly by election at the first meeting of each session. Different committees will have different numbers of members, depending on the workload.

The Chair of the National Assembly serves on the General Standing Committee.

When a specific bill impacts a certain group of people or an interest group, the relevant committee establishes processes to collect the opinions of those impacted (for example, students and teachers in regard to an Education Bill). The government employs a “strong network” to determine who to invite to workshops on bills. They use lists of the most senior people in each respective sector.

The National Assembly decides the budget allocation for each Ministry - for example, one fifth of the total national budget went to education / training, with the allocation for localities determined by population and informed by local circumstances (such as poverty). The National Assembly’s task is to allocate and approve with the government acting on these determinations.



Outside the former Presidential Palace, Ho Chi Minh City

## **Meeting with Leaders of the Ministry of Trade**

The delegation met with a group of Ministry officials led by Vice-Minister Le Danh Vinh, Ministry of Trade, and Tran Quang Hy, Deputy Director General South-West Asia and Africa Department.

Le Danh Vinh addressed the delegation speaking of the cooperation between Australia and Vietnam in trade. He spoke of the differences between the two countries and the importance of the visit to promoting greater understanding.

The following is a summary of the presentation given by him.

### Vietnam: Economic Snapshot

In the last 20 years there has been a significant emphasis on reform policy. China and Russia have implemented reforms and so has Vietnam.

Before 1985 there existed a centralised market - in 1986 Vietnam moved towards a market economy. This began by the government transferring land to the people.

In 1988, the National Assembly adopted the Do Moi Policy and passed a foreign investment law. Now foreign and private investment are treated the same.

Vietnam now rates second in GDP growth after China. There is approximately 7.5 per cent growth per year. In 2005, GDP growth was 8.5 per cent and 2006 GDP growth was 8.2 per cent.

Foreign investment projects equate to 54 per cent of total exports, with 1.5 million for state projects. There have been 47,000 foreign investment projects from 77 countries totalling US \$65 billion. The period from 2006 to the present has seen a surge in foreign investment because the investment program has become more transparent leading to a more secure environment for investment.

Vietnam has achieved international economic integration by becoming full members of the WTO, ASEAN, and APEC.

### Relations with Australia

Politically the two countries exchange many high level visits and delegations. The Vietnamese Prime Minister went on an official visit to Australia in May 2005, followed by an official visit to Australia in October 2006 by the Vice President. In November 2006, Prime Minister John Howard visited Vietnam for APEC.

The Vietnamese people regard Australia as a great place. Many high level members of the National Assembly have studied in Australia and many Vietnamese families choose to send their children to Australia to study.

There are 40 agreements to facilitate trade opportunities between the two countries.

Australia now ranks seventh in total trade between Vietnam and other countries and third in exports.

In 2006, Australia invested in 226 projects in Vietnam totalling US \$600 million.

Following the presentation, the delegation expressed its thanks and spoke about how important Asia and Vietnam were to Australia, with the high levels of trade and tourism between the two countries evidence of this.

Following this exchange, there was a question and answer session in which the differing and similar positions between Australia and Vietnam on international trade were discussed, as were the challenges that Vietnam faces.

The officials said they thought the similarities between the two countries were the commitment to the removal of agricultural subsidies and trade barriers that are supported by richer nations such as the US and Europe.

They felt there were some differences in terms of human rights and labour practices between the two countries with Vietnam being a much less individualistic society.

In regard to the challenges faced by Vietnam, they stated that the fact that Vietnam had been 'under a feudal system' for some period meant that the country was very poor. Some other challenges ahead were questions around trade liberalisation and the ability of Vietnamese enterprises to compete with big multi-national companies. It was observed that, in some areas, the country would certainly benefit from competition.

### **Meeting with the Ministry of Justice**

The delegation met with Dr Dinh Trung Tung, Vice Minister, Ministry of Justice.

There was no formal presentation, simply an exchange of questions and answers.

Questions were asked about the structure, powers and responsibilities of the Ministry, the role it played in Vietnam's entry to the WTO, Vietnam's use of the death penalty, the training required for lawyers in Vietnam, assistance provided by the Australian Government and the activities of Australian law firms in Vietnam.

Dr Dinh Trung Tung said that the Ministry is part of the government and is responsible for managing law implementation nation-wide. The Ministry has developed different legal codes such as the civic code.

The government accounts for over 90 per cent legislative initiatives. Draft law must be reviewed by the Ministry before going to the National Assembly. Representatives of the Ministry of Justice are authorised to attend meetings of the National Assembly Standing Committee. It also has a close relationship with the Supreme Court.

As a result of Vietnam joining the WTO recently, the Ministry of Justice had to look at all obligations and treaties that Vietnam has previously agreed to. As a result of joining, the Ministry has had to screen and amend over 100 pieces of legislation.

There are an increasing number of law firms in Vietnam. The government is trying to create conditions for any legal firm to do business in Vietnam by streamlining the granting of certificates for firms. This includes Australian firms.

The Ministry does not have responsibility for the police, but works with them as we do in Australia.

To become a lawyer someone must possess a law degree and a certificate of barrister competency from the Ministry of Justice. They must also register with a Bar Association and carry out an apprenticeship.

The path to becoming a judge in Vietnam is rigorous. Aspirants must undergo certain training and have experience in the legal field. The President of the Supreme Court is appointed by the National Assembly for a term that lasts five years and may be renewed.

A question was sensitively asked concerning the prospect of a change in policy concerning Vietnam's use of the death penalty.

Dr Dinh Trung Tung said that while the death penalty still exists for many types of serious crime, steps had been taken to reduce its use, with a recent amendment removing many crimes to which it could previously be applied, especially economic crimes.

### **Meeting with the Vietnamese Chamber of Commerce and Industry**

The delegation met with Doan Duy Khuong Vice President of the Vietnamese Chamber of Commerce and Industry (VCCI). He gave a brief summary of the history, membership and structure of the VCCI.

The VCCI was established in 1963 under a government charter, even though it is officially a non-government body. It serves two functions: to promote trade and investment with foreign countries; and, to represent the interests of the business community in Vietnam. It has 6,000 member companies out of 200,000 companies in Vietnam.

There are branches in 20 Vietnamese cities with one branch in Japan and one branch in San Francisco.

This was followed by a question and answer session where questions were asked about interaction between the VCCI and the government, the types of industries represented, the importance of Vietnamese expatriates and cooperation between Australian chambers of commerce.

The VCCI works under a charter approved by the Prime Minister. It is the channel to communicate changes in policy to the business community and to provide feedback to the government on its policies from the business community.

The Chairman of the VCCI is a member of the National Assembly and can represent the views of the chamber and of the business community.

The VCCI represents all industries in Vietnam. It is governed by a committee of management that contains representatives of each sector.

The government considers expatriate Vietnamese as part of the Vietnamese community because of language and culture. They can form bridges between Vietnam and the countries in which they live. From 1 July 2007, they will not need a visa to visit Vietnam.

The VCCI has a good relationship with Australian chambers of commerce. They often exchange trade missions. A Vietnamese delegation had visited Australia in the last month.

### **Meeting with Doan Cong Huynh, Editor-in-Chief Vietnam Student Newspaper and a former delegate to Australia**

The following is a summary of the meeting.

The head office of the paper comprises 80 staff and it has a representation office in Ho Chi Minh City (12 staff) and has other smaller branches. Women make up 40 per cent of its staff.

It is the biggest publisher of youth publications in Vietnam, publishing 10 million copies of various titles every year. Its revenue is around \$4.5 million per year and it does not receive state funding.

It has an online version of the main paper which receives up to 350,000 hits per day. Each university campus has its own publication that it circulates locally.

Its titles try to engage young people with the political process and to connect teenagers with their communities. Families often send copies to their children if they live overseas.

There has been no serious government censorship or intervention into the paper - but, from time to time, warnings have been issued and it has been asked to remove content deemed offensive. It does publish articles on sexual health.

### **Meeting with her Excellency Md. Truong My Hoa, Vice President of the Socialist Republic of Vietnam**

After introductions, the Vice President expressed how she values Australian delegations and the close relationship between Australia and Vietnam. She also described her own recent visit to Australia and some of the people she had met.

The Vice President also commented on the 50 / 50 gender balance of the delegation and said that Vietnam was working towards ensuring that 30 per cent of members of the National Assembly were women.

She also spoke very favourably of the relationship between Australia and Vietnam.

### **Meeting with Leaders of the External Relations Commission of the Central Committee of the Communist Party of Vietnam**

The delegation met with Le Vinh Thu, Director General, South East Asia, South Asia and Pacific Department.

At the time, Le Vinh Thu had only been in the position for three weeks. He was previously from the Department of Western Europe and North America.

The following is a summary of the presentation.

The South East Asia, South Asia and Pacific Department covers relations with all countries in the region.

A summary of trade relations between the countries was given. These facts have been previously mentioned.

#### Avian Flu

The government has educated its own population and co-operated with the World Health Organisation. It has also informed other countries about the pandemic. Vietnam co-operated with Japan and Korea in producing quantities of a vaccine against the virus and Vietnam would welcome Australia's assistance.

#### Climate Change

In terms of climate change, he spoke about his disappointment that many countries have not come up with a solution to this problem. He believes countries have to come to an agreement in terms of a solution. Vietnam is a recently developed country and is very much aware of consequences of climate change. He also thinks each country should take responsibility for the problem and that people need to be made aware world-wide.

### **Meeting with Leaders of the Vietnam Electricity Group**

The delegation met with: Lam Du Son, Deputy Director General, Vietnam Electricity Group; Tran Van Duoc, Vice President; Luong Lan Dung, Deputy Director, Department International Cooperation; and, Nguyen Quock Chinh, Hydro Power Expert.

The following is a summary of the presentation and discussion that took place.

#### Vietnam Electricity Group

Vietnam faces shortages of electricity because of the hot weather. During the months of June and July, energy consumption increases dramatically.

The Group is constructing 20 power plants using foreign and Vietnamese companies. The power plants should be in use by 2010, but economic growth means they will need more.

The Group has a total staff of 84,000, including its own maintenance teams.

The Group has just authored a report on the potential for wind power. There are pilot projects in the central highlands that are a combination between solar and wind energy. Investment costs for solar and renewable resources are expensive. Current supply is made up of hydro, diesel and coal.

Vietnam has coal which is concentrated in the north, however there is not enough to supply all the plants throughout the country. Coal production equates to 30 million tonnes per year, but it is not sufficient. Coal from Australia is considered more suitable. The Ministry of Industries is seeking to find sources of imported coal.

92 per cent of households in Vietnam are now connected to the grid which has resulted in an increased standard of living. The investment required to achieve this was largely funded by loans from the World Bank.

### **Youth Union of Ho Chi Minh City**

The delegation met with Mr Tat Thanh Cang, Secretary, and Mr Nguyen Thanh Nhan, Head of the International Department.

The following is a summary of the presentation and discussion that took place.

#### Ho Chi Minh City

Over six million people live in Ho Chi Minh City with two million being from other provinces. Three million are aged between 16 and 30. A significant proportion of population growth is from immigration from other areas of Vietnam. The city, opposed to rural areas, is the more attractive for business. The city is also the centre for education in the south.

There is a city plan which includes plans for the development of a high standard services sector, improvements in agricultural technology and the development of an Information Technology Park to produce microchips.

#### The Youth Union

##### **Locally**

The Youth Union itself is structured from the family and community level up. There are 450,000 members in Ho Chi Minh City. Youth officers are involved in all parts of the city and there are youth centres around the city, which provide assistance and youth worker assistance. Building confidence of young people is a major objective of the Union.

## **Nationally**

Young people get six reserved spots on the city council and 16 in the National Assembly. There is youth law and a youth strategy for 2010. Policy to benefit youth is pushed through by these representatives. One thing the Union achieved was low cost loans for young people. The Union also played a big role in increasing literacy in the city.

The Union is also active on environmental issues. The Union engages in significant volunteering activities such as building houses and healthcare and also sends people overseas to be trained in healthcare and agriculture.

The delegation asked several questions about the structure and membership of the Union.

Many young successful business people are Union members. The Union provides resources for the Communist Party. The Union asks for assistance from the Communist Party when it needs it. Once you are a member of the Union, you agree to follow the ideology of the Communist Party.

All members have the right to vote and nominate for executive positions and voice their thoughts and ideas.

Some members of the Union are also members of the Party, but you must be over 18 to be in the Party.

There are several ways of being chosen as a youth member of the National Assembly, either through the Youth Union, Young Pioneers or Youth Federation.

## **Ho Chi Minh City Youth Newspaper**

The delegation met with the Vice Editor in Chief, Nguyen Thong, and the Chief of the Political and Social Department, Tran Kim Tri.

The paper has a daily newspaper and two websites - one in English and the other in Vietnamese - plus one weekly magazine. The flagship publication is 'Thanh Nien' operating since 1986. 'Thanh Nien' means 'The Youth'.

The circulation is around 450,000, with a readership across all Vietnam. It also prints an edition for Europe, out of the Czech Republic. The website has 1.5 million hits daily with 90 per cent being international. The paper has 293 staff.

It is governed by an editor's board with Economic, Social, Political, Youth, Cultural, Sport, Advertisement, Distribution and Readers' concerns represented. There is a Bangkok office to cover ASEAN matters.

Two thirds of revenues are made up from sales and one third from ads. The revenue is used for various community and youth activities.

The paper covers Vietnamese political life and elections very closely.

There was a question and answer session where questions concerning the editorial freedom of the paper were asked and the nature of the reporting.

There is oversight from the government authorities, but editions are not pre-approved. The paper had never been pulped by the government. There are satirical cartoons, but generally less so than in Australia. There are rules about how they can be published.

The circulation of the paper has risen due to increases in standards of living and a redesign. The paper is also planning to establish a TV channel. The reporters get press releases from agencies - and state departments, now, also have spokespeople, though most of the work is done by reporters. The Vietnamese media is not as aggressive as Australia's is. The media receives a lot of overseas training from France, the USA, Sweden and Germany. There is an annual journalism awards.

### **Visit to the Vice Chair of the People's Committee of Ho Chi Minh City and the Council Offices**

The Vice Chair welcomed the delegation and presented it with an overview of Ho Chi Minh City since the reunification of the country.

The city is the biggest point of foreign investment in Vietnam. It has a sustainable development plan and is concerned with the welfare of its people and the development of culture. It is the economic, social and financial centre of the country. It is playing a big role in Vietnam's regional and international integration.

Youth are an important part of the city, so the city council provides structures and things for them to take part in. It also offers education, training and healthcare. There are 42 Australian institutions involved.

The Vice Chair also mentioned the development of the RMIT campus which she thought was very important to the future of the city.

The Vice Chair talked about the need for transport infrastructure in the city as well as accommodation for tourism. Australia contributes to over 40 projects in Ho Chi Minh City and the Vice Chair asked that the delegation, upon returning to Australia, talked about this issue to ensure the funding continued.

### **RMIT Vietnam**

The delegation was given a tour of the Ho Chi Minh City campus of RMIT International Vietnam. RMIT International Vietnam is an internationally recognised university and its license was approved in 2001. It opened in Hanoi in 2004 on leased premises, and in 2005 in Ho Chi Minh City. It now has 3,000 students in Ho Chi Minh City. There is 150 academic staff from 27 countries with a very successful internship program operating with multi-national companies. The RMIT recruits teachers locally and funds itself from mixed sources, including philanthropic funding.

The Australian Prime Minister, the Hon John Howard MP, hosted the last graduation. The Ho Chi Minh City campus building was designed by a Melbourne architect. There are no student unions, but clubs on campus. The RMIT is also developing accommodation and sporting facilities.

There are many international students with enrolments growing by 75 per cent in 2006. Student numbers should reach 4,000 by the end of 2007. There is a high percentage of full time students.

The campus has a good reputation of delivering on programs and can accommodate 15,000 students. It is expected to reach 10,000 students by 2015.

Its undergraduate programs are IT and business, with 90 per cent employment after degrees are completed. Commerce is the most popular degree, with design and multimedia also well enrolled. Postgraduate qualifications are MBA, Masters of Education and a Graduate Certificate of Teaching and Learning.

RMIT International awarded 458 scholarships worth US \$3 million with a large philanthropic make up. Most graduates go to international companies or start their own businesses.

### **Swire Cold Storage Vietnam**

The delegation was given a tour of Swire's premises outside Ho Chi Minh City, and met with: Ngo Quang Trung, Warehouse Manager; and, Thai Thu Hoa, Business Development Manager.

Swire was established in 1998 to provide a cold storage service to all Vietnam. It stores a variety of food products, including some dry produce. It is 100 per cent foreign owned. Its parent company is John W Swire which is based in London.

The company now has 250 employees and works 24 hours 7 days a week, with over 200 customers. There is only one foreign worker, the CEO, with the rest of the staff coming from Vietnam.

The plant ensures continuous power supply by having back up generators. Chicken and other meat, as well as bread and fruit, are imported by customers for local distribution. It is a 42,000 sqm facility that is warehouse only, though the company is looking at a trucking service later on. The facility is based in an industrial park which has many advantages, including water supply, power and land ownership.

US \$5 million was invested originally and the company is now worth US \$25 million. The company is compliant with its parent company's policies in terms of environmental commitments, social activities for new employees and meeting obligations to government including paying tax.

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