



AUSCHAM STATEMENT AT THE MIDTERM VIETNAM BUSINESS FORUM 2017

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Salutations

Vietnam Australia relations are growing strongly and our members are both contributing to and benefitting from that growth. While the TPP has not moved forward as hoped, Australian and Vietnamese businesses benefit from the existing ASEAN-Australia-New Zealand Free Trade Agreement and Vietnam's commitment to further improving trade and investment opportunities by participating in new international trade agreements. Vietnam is now Australia's 15th largest trading partner, with two-way trade exceeding \$10 billion and Australian investment in Vietnam growing strongly.

We see tremendous potential for Australian investors in sectors such as agriculture, energy, financial services, education, tourism and health.

With over 22,000 Vietnamese currently studied in Australia and over 16,000 studying with Australian institutions in Vietnam, education is a high profile issue for AusCham.

The productivity of the labour force in Vietnam needs to significantly increase. The education and training of Vietnamese people to provide "work ready" graduates will help close skills gaps and also provide the necessary manpower where there are currently skills shortages. In the short term, foreign expertise can help in this regard. Therefore fostering partnership between domestic and foreign enterprises for harmonious development of the Vietnamese economy is a theme that our education and training members fully support.

At the highest level this needs the involvement of all major stakeholders working together under the leadership of the Vietnamese Government and in particular MoET and MoLISA. A strategic focus is required to make sure that everyone involved understands what needs to be achieved and that all stakeholders involved are in alignment. The effective use and coordination of Official Development Assistance (ODA) is important so that various initiatives are not overlapping and that the investment from these programs is both effective and efficient.

To achieve international standards education in Vietnam needs to improve the standard of education of Vietnamese institution and, in addition, needs an infusion of foreign capital, ideas and expertise. It also needs flexibility and adaptability, especially in the vocational training sector. Countries including, but not limited to, Australia, Canada, Malaysia, Singapore, and the UK can continue to help with the development of higher and vocational education.

The recent change in the Vietnamese education system is encouraging. And much more is needed and encouraged.

Mining and mining services is another key area of interest and expertise for Australian companies. Australia has a strong minerals industry, and mining has been one of the key drivers in its economic growth and infrastructure development. As an emerging nation, we believe that Vietnam should also benefit far more from its valuable, still untapped and mostly undiscovered mineral resources, but only in a way that is efficient, environmentally responsible and safe, which is not happening in most cases at present. Australia, with its experience and technology stands by to assist Vietnam develop appropriate policies to attract foreign direct investment in exploration and mining using international best practices. Australian businesses are very keen to tap into this industry and AusCham is here to facilitate the needed talks/bridging the gaps of expectation and knowledge if and when needed.

AusCham continues to note that tourists from five European countries are entitled to enter Vietnam without a visa and that another 40 countries' citizens may apply for eVisas – but not Australians. Given that Vietnam Airlines and Jetstar Australia have both recently added direct flights between Vietnam and Australia (the number of routes has increased from two to five in the last three months), AusCham believes this presents the government with a wonderful opportunity to support the local tourism industry by reviewing the visa status for Australian tourists.

While these challenges are real, there is also a hard-headed optimism amongst the Australian business community in Vietnam about the future for Vietnam and their own businesses. We are working with the directly with MOFA, the and the peoples committee of several provinces to help bridge the relationship and gaps between Australian business and Vietnamese business and vice versa. Auscham's new MOU with Vietnam's Department of Foreign Affairs of the Provinces allows it new reach to all of Vietnam's 63 provinces. This work will be brought together at the Meet Australia conference in Hanoi in May this year, and immediately prior to the APEC Trade Ministers Meeting, and several other "Meet the provinces" where Australian business will have a chance to meet with Vietnam's provincial leadership on commercial opportunities throughout Vietnam.