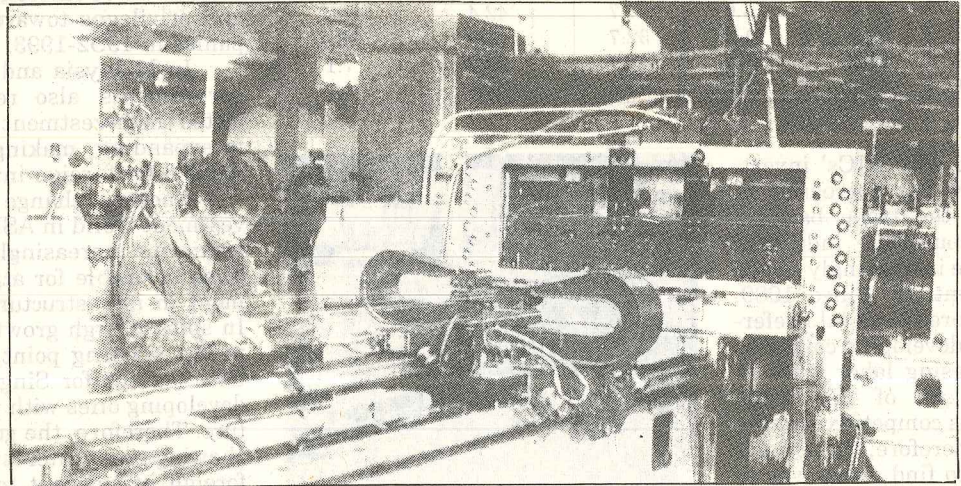


ON THE INTEGRATION OF VIETNAM INTO ASEAN

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By the end of July 1995, Vietnam will become the seventh member of ASEAN. The presence of Vietnam in this organization creates a new opportunity for social, political, economic and cultural co-operation, and thereby ensuring the peace, stability and wealth of the region.

1. An outline of ASEAN

ASEAN is the abbreviation of Association of Southeast Asian Nations which was established in Bangkok on Aug 8, 1967. Initially, its membership included five nations: Indonesia, Malaysia, the Philippines, Singapore and Thailand. Brunei became its member in 1984.

ASEAN has an area of three million sq kms and a population of 340 million people. ASEAN nations are rich in natural resources. They produce 90% of the world's rubber output, 70% of tin, 60% of tropical plank and play important role in producing and trading in crude oil, rice, palm-oil, etc in the world market. Manufactured products from ASEAN are flooding the American and Western European markets and other de-

veloped countries. The economic boom helped this bloc gain the world's highest growth rate, around 8% per year.

For three decades of development, ASEAN, from a political ally, has become an economic bloc. In all fields of co-operation, the ASEAN nations always respect three basic principles:

- Principle of consensus: All policies regulating operation of ASEAN should be based on a broad consensus of member nations. This principle requires time-consuming negotiations but enables each nation to protect its rights and interests.

- Principle of equality: All member nations, regardless of their size and wealth, are equal in rights and duties. In all meetings of ASEAN nations, from summit to low-level negotiations, the post of chairman rotates among members, so does the meeting place.

- Principle of respect: this principle was stated clearly in the Bali Treaty. According to it, all member nations should respect the independence, sovereignty, territorial in-

tegrity, equality and national traditions of other nations. Every country should refrain from intervening in the affairs of the others. All conflicts should be solved by negotiations instead of using armed forces.

2. ASEAN and AFTA

On Jan 28, 1992, ASEAN nations decided to develop ASEAN into the Asian Free Trade Area, or AFTA for short. The formation of AFTA includes the following steps:

- AFTA came into operation officially since Jan 1, 1993.

- AFTA members passed the plan to offer to one another preferential tariffs which came into effect on Jan 1, 1993. This plan aimed at reducing tariffs imposed on goods manufactured in member nations to 5% at most. This process will be finished in 2003 at the longest. This plan (called CEPT) has provided for two programs to reduce tariffs for various groups of goods.

- AFTA nations concluded to lift restrictions on intra-region trade (quota, licence, etc.). In short, developing ASEAN into AFTA is one of great efforts to intensify economic



co-operation between member nations.

3. Vietnam and ASEAN

Co-operating to develop is the common trend of the world today. Vietnam economic development will benefit a lot from joining ASEAN.

Vietnam has tried its best to catch up with other countries in the region which is considered as the future economic center of the world. Joining ASEAN will create new strength and position for Vietnam in the world affairs. Experience of economic development of ASEAN nations will be good lessons to Vietnam.

Vietnam can co-operate with ASEAN nations on many fields. Vietnam can co-operate with Malaysia to plant and exploit coconut, rubber; to process vegetable oil and agricultural products; to supply power and postal service. With Singapore, Vietnam can expand trading relation and co-operate with her to invest in construction, tourism, or to research into building communication network. Vietnam can co-operate with Thailand in fishing, maricultural farming, exploiting precious stone, planting and processing agricultural products and domestic animal food, producing consumer goods and garment, etc. As for the Philippines, Vietnam will work together with them to assemble machines, exploit white sand or develop agro-industry. Vietnam can import fertilizer from Indonesia, or co-operate with it to produce natural gas, urea fertilizer and coal. Brunei will be one of Vietnam's partners in developing tourism business, and many Vietnam laborers can go working there.

Besides the co-operation between Vietnam and certain ASEAN

nation, Vietnam can take part in other ASEAN's common projects which are financed by developed countries (the USA, Canada, South Korea, New Zealand, EU nations, etc.). Being an ASEAN member, Vietnam can benefit from these projects.

In short, intensifying the co-operation with ASEAN nations is appropriate to the foreign policy of the Government and the Party which advocates multilateralizing foreign relations and diversifying markets.

Vietnam's membership could also be of great benefit to ASEAN itself.

With a population of over 70 million people, Vietnam is demographically the second biggest country in ASEAN, after Indonesia. Vietnam is rich in natural resources. Vietnam's presence could make this bloc bigger and stronger; expand intra-region co-operation and help with maintaining peace, stability and balance of power in the region.

Vietnam is also a market for investment and goods from ASEAN nations. Up to the end of 1994, of 165 projects of foreign investment worth over US\$1.5 billion, the better part of them came from ASEAN nations. According to the *Bangkok Post*, 14% of total foreign investment came from ASEAN nations, 29% of total value of Vietnam external trade was carried out with ASEAN nations. In the near future, when Vietnam joins AFTA, importation from ASEAN nations will be given preferential tariffs, and the 70-million people market of Vietnam will become more attractive to these nations.

4. New challenges in joining ASEAN

Joining ASEAN is not cakes and ale for Vietnam. Taking both the long and short views, Vietnam will face a lot of difficulties and challenges.

For example, it's hard for Vietnam to find enough officials who master foreign languages and professional knowledge, and have the ability to attend, and more importantly, to take the post of chairman in some 200 or 300 meetings of ASEAN every year.

Vietnam's level of development is lower than that of ASEAN nations. If Vietnam businesses lack efforts and the Vietnam government has no appropriate measure to regulate the economy, Vietnam will be in danger of becoming a market for manufactured goods from ASEAN nations when AFTA membership forces Vietnam to open its door and reduce tariffs.

Vietnam's mechanism for economic management is too different from that of ASEAN nations. Joining ASEAN, Vietnam should try its best to speak the same language as other members.

ASEAN nations and Vietnam have the same natural conditions, and even the same natural resources. They produce similar products (rice, rubber, coconut, coffee, etc.), therefore, keen competition is inevitable. It is both the dynamic for development and the obstacle to such late-developer as Vietnam.

These challenges and difficulties are very great, but the integration into the region is a must for Vietnam. We should accept the inevitab because it's high time we integrate into the world ■