

VIETNAM'S CO-OPERATION WITH REGIONAL COUNTRIES FOR PROSPERITY



by **VŨ KHOANG**
Vice-Minister of Foreign Affairs

After years of war and isolation, Vietnam has no aspiration other than international environment favorable for reconstructing the country and building a happy and equitable society. This need becomes more urgent when the gap between Vietnam and surrounding countries who benefited from a more favorable condition for development seems larger. So, bridging the gap is one of leading targets of Vietnam diplomatic activities.

In a world where inter-dependence is on the increase, Vietnam wants to carry out an open, diversified and multilateralized foreign policy. In realizing this policy, priority is given to the regional co-operation

at three levels: with countries bordering Vietnam, with Southeast Asian and furthermore, with Asia-Pacific countries. This doesn't mean we limit ourselves to the region, on the contrary, we will try our best to develop good relationship with all countries and international organizations.

Giving priority to regional co-operation, we fully realized that the region was an environment affecting directly our stability and development. Moreover, Southeast Asia, and Asia-Pacific region as a whole, is one of the most dynamically and stably developed region in the world.

Just because of this, we have paid a lot of attention to improving the diplo-

matic relations with regional countries and our efforts have recently borne fruit:

Firstly, the relationship between Vietnam and regional countries has changed from a position of confrontation to a position of co-operation. This is a turning point in the history of the relationship between Vietnam and regional countries because in 50 years after the Second World War, the relationship was rather strained, to say the least. I don't want to talk about reasons for this confrontation but I want to emphasize the fact that it is unfamiliar to the Vietnamese people who always pay a great regard for relationship with surrounding countries.

Secondly, hundreds of government-level agreements between Vietnam and regional countries have been signed in order to create legal environment favorable for lasting co-operation in many areas.

Thirdly, business and investment relations between Vietnam and regional countries have developed from almost nothingness into matters of great importance to both parties.

Until now, however,

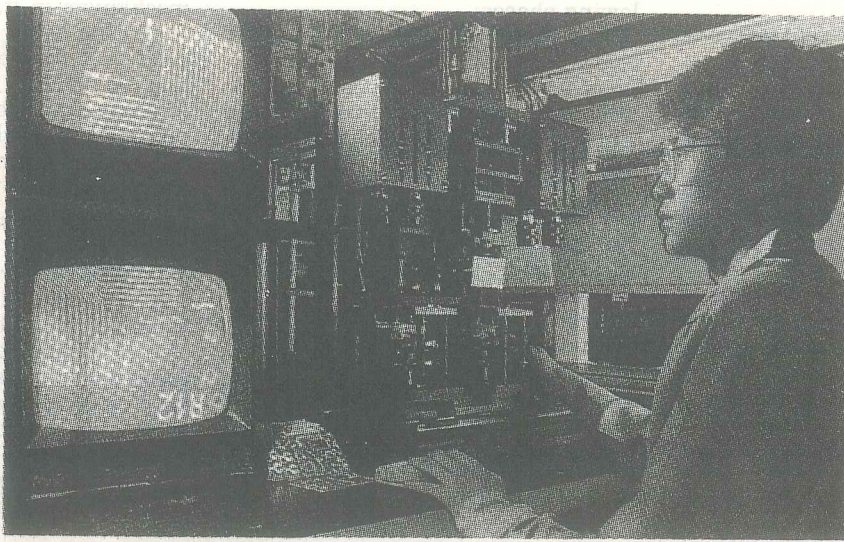
this relationship is mainly a bilateral one, whereas the world-wide trend towards globalization and regionalization, multilateral relations become increasingly importance. Therefore, Vietnam is working to promote multilateral co-operation at world and regional levels, especially co-operation with ASEAN as a regional organization.

After many research and discussions, ASEAN and Vietnam reached the conclusion that it's high time Vietnam stopped being an observer and started becoming an affiliate member.

What benefits can we expect from joining ASEAN? What are Vietnam's responsibilities to surrounding countries and other ASEAN members? What are the next steps?

First of all, I want to emphasize on the fact that Vietnam's membership in ASEAN will be of great benefit to Vietnam and ASEAN and Asia-Pacific countries as well. It's not an incidence that Vietnam's membership of ASEAN was supported by international community. There are many reasons for this.

Firstly, Vietnam joining ASEAN is a turning point in the history of



tionship between Vietnam and ASEAN countries. This will be of great benefit to the stability and development not only of Vietnam and ASEAN countries, but also of Southeast Asia and Asia-Pacific as well. I think that all countries will satisfy with this.

Secondly, Vietnam and ASEAN economies could help one another to bring prosperity to each nation and the region as whole. Until now, ASEAN countries make up about 15% of investment in Vietnam and about 30% of Vietnam's total trade turnover. This co-operation will certainly expand when Vietnam joins ASEAN.

Thirdly, businesspersons all over the world consider the Southeast Asia as a market of great potential. Vietnam, with its population of over 70 million, its renovation process and its prospect of an ASEAN member, could increase the region's attraction for those who want to co-operate with ASEAN countries. This will bring benefits to Vietnam, ASEAN and all partners.

The said three reasons could verify that all countries will gain advantages from Vietnam's joining ASEAN.

As for Vietnam's responsibilities to surrounding countries and ASEAN members, Vietnam, as an

ASEAN member, will certainly fulfil its obligations, contribute to the co-operation of the region in maintaining peace and development. At the same time, Vietnam will push ahead with its diversified foreign policy, or in other words, Vietnam keeps on being friend with all countries in the world in the struggle for peace and development.

As for our next step, once Vietnam becomes an ASEAN member, its co-operation with other members will show us what need to be done, and we will carry them out in appropriate ways.

One of important problems is that when and how could Vietnam soon join AFTA? Joining ASEAN, it's reasonable for Vietnam to join AFTA. However, there is a great difference in level of development between Vietnam and other ASEAN countries. The market mechanism which is taking shape in Vietnam has come into existence for a long time in other members ASEAN. Moreover, all ASEAN members have joined GATT (now the World Trade Organization) and suffered no discrimination in international trade relation whereas Vietnam hasn't been a member of WTO and couldn't form equal trade relationship with some countries. These

differences will take Vietnam a long time to join AFTA.

But how long does it take and what should Vietnam do during the transition? Perhaps we need some time for experts of Vietnam and ASEAN countries to study and work out the best solution to the problem. To my knowledge, all ASEAN countries share this opinion.

We can say that, however, there is not much difference between Vietnam taxation and CEPT of AFTA if we know that over 57% of Vietnam imports paid tax rates from 0% to 5%, 23% paid from 6% to 20% rates and only about 20% of imports paid over-20% rates.

In addition, at the re-

(This is a speech of Mr. Vice Minister delivered at Vietnam Economic Forum held in HCMC from April 6 to 8, 1995)

gion and and the world levels, Vietnam will join APEC at the appropriate time, because Vietnam is a nation in the Asia-Pacific region and its economy is closely related to this region. Vietnam has also made an application for WTO membership and is making all needed preparations for this.

In short, besides expanding bilateral co-operation, Vietnam is trying to integrate into multilateral co-operation at three levels: in the Southeast Asia, Asia-Pacific and the world.

Such a policy, in my opinion, is suitable to common trend in the world and could make our co-operation with other countries more favorable ■

