

# THE US-VIETNAM RELATIONSHIP A RESUMPTION AFTER 20 YEARS

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**T**he distance between Hà Nội and Washington is of 12 time zones, or a length of 20,000 km as the crow flies or half of the equator. A jet plane can cover this distance in 20 hours but it takes us 20 years to resume the relationship between the two countries.

The resumption of the US-Vietnam relationship isn't a measure to soften the repentance of certain American people or to reduce fever of some others who are hostile to Vietnam.

The normalization of the US-Vietnam relationship should be considered by an economic viewpoint. The American people believe that all bilateral relations should be based on mutual benefit and co-operating basis. These relations can't be ways of solving certain problems (such as human rights or humanity) or securing unilateral profits. All humane aid programs; medical, educational and training aid programs; or refugee repatriation scheme, etc. are admirable deeds, but they can't compensate the Vietnamese people for the loss they have suffered during the Vietnam war. And these deeds are very small in comparison with the American wealth and capacity.

The normalization of relationship with Vietnam could help the US expand its market and influence on the Pacific-Asia region. Although the US is the leading economic power of the world but one-third of its exports has been sold to developing countries in Asia, Africa and South America since the 1980 up to now. Many American staple products couldn't penetrate and find a foothold in Japanese and European markets. In the past ten years Asian economies (not including Japanese one) represented nearly 20% of American foreign trade. With a population of over 72 million people, Vietnam will make the Asian market for American products become larger. Two years after

the trade embargo was lifted, products of leading American companies such as Coca-Cola, Microsoft, Johnson and Johnson, IBM, Motorola, etc. have made their appearance in Vietnam. The number of rep offices of American companies in Vietnam has doubled over last year. There were around 50 American offices in HCMC alone.

The US can buy from Vietnam a lot of goods such as rice, seaproducts, oil, services (tourism, transportation, banking, financial, etc.), and semi-finished products at low prices. Regarding seaproducts alone, the US imports US\$6 billion worth of seaproduct every year from Japan, Thailand and China. If the US invests in Vietnam appropriately, Vietnam could supply a large amount of this product.

In future, the US can give Vietnam the MFN status which could help Vietnam overcome present difficulties and could also help the US enhance its role and influence on Asian economic and political activities.

Together with Japan and EU countries, the US is one of leading investors of the world. Up to late 1980s, however, American investment in ASEAN was smaller than that from Japan. In Vietnam, up to early 1995, the US wasn't in the list of ten leading investors in Vietnam. The total American investment of licenced projects represented nearly 3% of total foreign investment in Vietnam. The American investment was lower than that of France, the Netherlands, Switzerland and many Asian countries. But the situation was improved by mid-1995.

Up to June 1995, 36 American projects with investment of US\$555 million were licenced and the total American investment doubled in comparison with 1994 and the US became the eighth biggest investor in Vietnam (among 53 ones). This level didn't match up to American strength and Vietnam potentialities.

Being the eighth biggest investor, American investment represented nearly 5% of total foreign investment in Vietnam. It was equal to that of Malaysia, but lower than Japan and other Asian dragons, and equivalent to American investment in the Philippines in 1968 or in Singapore in 1977. Of 36 American licenced projects, 10 have registered capital of over US\$10 million such as Mobil Oil's project on Thanh Long oilfield (55 million), joint venture Crown - Vinalixem in making aluminium can in Hà Tây (43.1 million), Coca-Cola project in Hà Tây (20.4 million). One of the biggest American projects is on Non Nước tourism resort in Đà Nẵng which has an investment of US\$243.4 million.

In the second half of 1995, many projects of American leading companies are waiting for licence (a 300-million project on producing car of Ford and Chrysler, a 567-million project on building industrial estate of American International Group Inc.) With these projects, the total American investment will reach to billion dollars, and be equal to three or four leading investors in Vietnam and equivalent to American investment in an ASEAN country in late 1980s.

According to the *Business Week* (July 10, 1995) of the 1,000 biggest companies of the world, 396 were American ones and 246 Japanese ones, but the volume of American investment and products coming into Vietnam is smaller than what come from Taiwan, Hong Kong, Singapore, South Korea or Japan.

Naturally, a resumption of relationship after 20 years couldn't make business transaction skyrocket at once, but we know that after making a big mistake over involving in the Vietnam war, American won't want to suffer loss on missing the bus in Vietnam.