A Path to Australia

Opportunities and Market Insights for Vietnamese Business



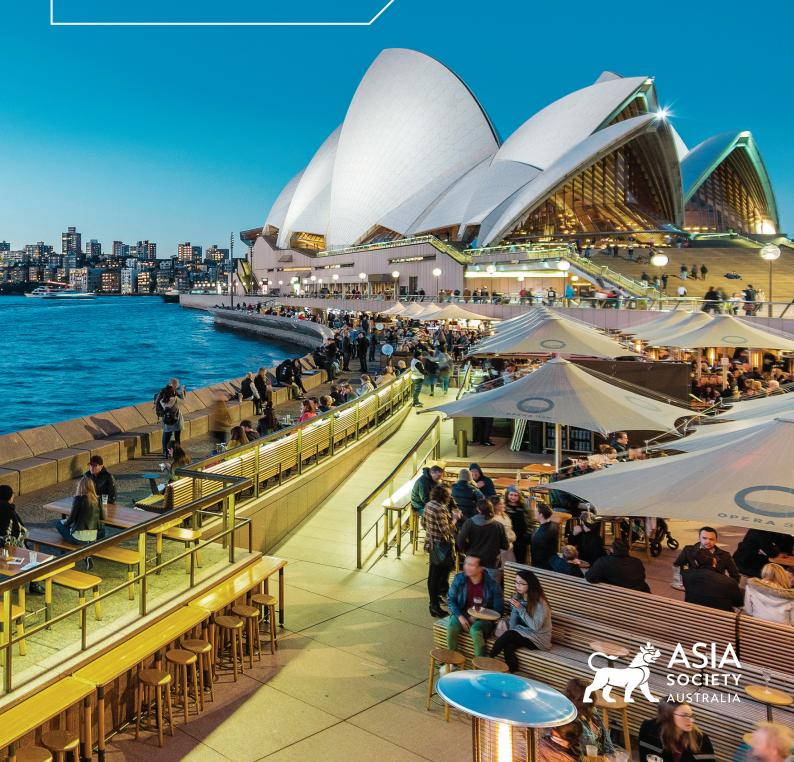


Asia-Pacific Economic Cooperation

In partnership with









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Foreword



Prime Minister of Australia, The Hon Scott Morrison a: "We are at a sweet spot in our partnership. Viet Nam is rapidly industrialising

and developing, and Australia is willing and able to support that growth. Our two economies are complementary – I believe we can and will prosper together... The capacity for Australia and Viet Nam to work even more closely together is enormous."



Prime Minister of Viet Nam, HE Pham Minh Chinh: "The Australia-Viet Nam Enhanced Economic Engagement Strategy

shows the ambition and aspirations of our two countries' governments and people to become top-ten trading partners, double our two-way investment, overcome challenges, and take full advantage of the opportunities for post-pandemic economic recovery and development." b

oth of our nations have embarked on a journey together to enhance our economic engagement and become closer trading partners. The Australia-Viet Nam Enhanced Economic Engagement Strategy and Implementation Plan lays out a detailed map for how our two nations can work together to achieve our goals of becoming top-ten trading partners and doubling two-way investment.

The Strategy highlights how both economies are complementary and points to many opportunities for mutually beneficial trade, investment, and technology transfer. It also acknowledges that there exist differences in legal and regulatory systems, cultural and business practices, and language which present challenges for many SMEs.

We welcomed the 2020 report A Path to Viet Nam, which aimed to bridge these differences by demonstrating why Viet Nam is an ideal partner for Australian businesses. The report helpfully stressed the potential mutual benefits of expanding trade and investment with Viet Nam, with guidance for Australian firms on how to establish commercial ties and operations.

As part of the Implementation Plan, Australia has committed to developing a companion report, A Path to Australia, that aims to assist Vietnamese businesses in better engaging with Australia. As we edge towards life after the pandemic, opening borders, and as companies start to reassess overseas options, we hope this report helps export- and investment-ready Vietnamese businesses to identify and act on opportunities in Australia, as a market, as an investment destination, and as a source of innovation.

We commend Asia Society Australia, RMIT University and the Australian APEC Study Centre for producing this timely report in support of deepening engagement between our two countries.

Ambassador to Viet Nam

Ms. Robyn Mudie

Ambassador to Australia

Mr. Nguyen Tat Thanh

Acknowledgement

he Australian Department of Foreign Affairs and Trade (DFAT) funded this report under the Australia-Viet Nam Enhanced Economic Engagement Grant (AVEG) Pilot Program. Asia Society Australia led the project in partnership with RMIT University and the Australian APEC Study Centre. The Viet Nam Chamber of Commerce and Industry (VCCI) provided invaluable guidance and support throughout the project.

The research team (Kate Parker, Aaron Soans, Tran Thi Viet Hoa and Nguyen Tuong Vy Linh) under the guidance of Craig Emerson and Bonnie Rivendell from the Australian APEC Study Centre, produced the report. Kristen Bondietti and Jon Berry contributed data and policy analysis. Andrew Deane, Greg Earl, Dang Thi Quynh Anh (Jaimie), Andrew Tijs, Chris Khatouki and Lena Duchene (Asia Society Australia) provided additional support for the report and its dissemination. Nguyen Thi Cam Linh translated the report from English to Vietnamese.

A high-level advisory team – Thao Griffiths (Policy Advisor to the Chairman of VCCI, Duong Hong Loan (Director Strategic Engagement, RMIT Viet Nam), Philipp Ivanov (CEO, Asia Society Australia), Layton Pike (Chief Global Adviser, RMIT University), and Bonnie Rivendell (Program Director, RMIT University) – gave invaluable guidance for the project.

The report received help from consultations with stakeholders across government, business and academia in Viet Nam and Australia, including Viet Nam's Ambassador to Australia His Excellency Nguyen Tat Thanh and the team at the Viet Nam Embassy; Mr Vu Van Chung, Deputy Director, Overseas Investment Division/Foreign Investment Agency, Ministry of Planning and Investment; and Mr Nguyen Phu Hoa, Head of the Vietnamese Trade Office in Sydney.

The research team consulted with the Australian Department of Foreign Affairs and Trade, the Australian Consulate-General in Ho Chi Min City (HCMC), Austrade (Viet Nam), and Australian State and Territory trade and investment offices.

Many Vietnamese companies and business associations shared their journey and lessons learned with the research team: Hoa Phat Group, Savvycom, Smart OSC, Sovico Group, VietJet, Vietcombank, TH Group, VCCI, Viet Nam Australia Business Council, and the Viet Nam Business Association of Australia (VBAA).

We acknowledge the insights and support of the following individuals across business and academia:

- Ba Phuc Tran, President of Vietnamese Business Association of Australia
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- Tai Le, Viet Dragon Securities
- · Huan Tran, Entrepreneur
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- Thanh Tam Tran, Head of Markets, KPMG

KPMG conducted a peer review and Minter Ellison advised on Australian requirements for foreign investors in Australia.

In the spirit of reconciliation, we would like to acknowledge the traditional owners of the lands where this report was produced and pay our respects to their Elders past, present and emerging.



Executive Summary

Australia-Viet Nam: Bilateral Economic Engagement

his report is the second in a series of reports commissioned to look at how Australia and Viet Nam can expand commercial activity.

The first report, released in 2020, **A Path to Viet Nam: Opportunities and Market Insights for Australian Business**, identified trade and investment opportunities in Viet Nam for Australian companies, arguing that we are 'natural' economic partners due to our strong **economic complementarity**.

This report, **A Path to Australia: Opportunities and Market Insights for Vietnamese Business**, turns
the spotlight onto the trade, investment, and
innovation opportunities in Australia for Vietnamese
companies.

A growing number and variety of Vietnamese companies are engaged with Australia: Viet Nambased multinational manufacturers, Vietnameseowned conglomerates, small to medium-sized enterprises (SMEs) and entrepreneurs. Case studies and examples are provided throughout this report of Vietnamese companies in Australia.

Viet Nam has a dynamic and growing relationship with Australia. This report looks at potential paths for more businesses in Viet Nam to look to Australia to diversify their import sources and export markets; increase investment; strengthen supply chain resilience; and grow new areas of commerce for the benefit of both economies.

Viet Nam and Australia have jointly announced an Enhanced Economic Engagement Strategy (EEES) to be implemented over the next four years to stimulate more trade and two-way investment as they mark 50 years of diplomatic relations.

The EEES builds on growing government ties between the two countries since the establishment of a Strategic Partnership at the 2018 Special Association of Southeast Asian Nations (ASEAN) summit in Sydney, and a widening web of trade deals including the ASEAN-Australia-New Zealand FTA since 2010; the Comprehensive and Progressive Agreement for Trans-Pacific Partnership since 2018; and the Regional Comprehensive Economic Partnership from 2022.

The pandemic has disrupted business conditions, but bilateral economic relations have remained strong. In August 2021, Australia was Viet Nam's tenth largest trading partner (18th largest export market and eighth-largest import market) and tenth ranked destination for Vietnamese overseas investment. Cumulative Vietnamese investment in Australia reached US\$722 million in 2020 according to Viet Nam government sources.¹

People-to-people links between the countries are growing strongly based on education and the large Vietnamese diaspora community in Australia. Australia's longstanding development assistance to Viet Nam includes projects involving the private sector including collaborations with Australian research organisations.

Chapter One reviews what Australia offers to Viet Nam as a **market**, an **investment destination**, and a **source of innovation**, and the strength of the bilateral relationship even in the face of the pandemic.

complementarity and an active bilateral framework underpin opportunities for Vietnamese firms to expand trade, investment, and innovation links with Australia

★★★ SUCCESS Vietnamese enterprises are already active in Australia – recognising Australia's unique blend of advantages and opportunities

COOPERATION The new Enhanced Economic Engagement Strategy and four-year Implementation Plan identify opportunities for profitable increased commercial cooperation and priority initiatives to support new business entrants





Business Opportunities

The governments of Viet Nam and Australia have set a joint target of becoming a top ten trading partner for each other and doubling bilateral investment. The second part of this report looks in detail at how Vietnamese businesses can achieve this in Australia.

Viet Nam's strong manufacturing and exporting capacities in technology goods, clothing, and footwear, alongside Australia's competitiveness in commodities and agricultural products drives the existing bilateral trade in goods. Services trade, reflecting comparative advantages in travel, transport, and education, is increasing steadily off a lower base. Bilateral investment is diversifying in mining, agriculture, and tourism.

There is potential for more trade, integration, investment, and sourcing of innovation by other Vietnamese companies, driven by economic complementarity, the positive framework and growing business capabilities in Viet Nam.

Chapter Two draws on data and analysis to identify and discuss opportunities for Vietnamese companies.

An **opportunity heat map** highlights potential **trade, value chain, investment, and innovation opportunities** evident across resources, agriculture, manufacturing, and services, including in renewable energy, seafood, electronic manufactures, footwear, furniture, processed food, distributive trade, digital services, tourism, and education – sectors which have also been identified for action under the new Enhanced Economic Engagement Strategy (EEES).

Research for this report shows how Vietnamese businesses can strengthen their supply chain resilience and value chain linkages under new trade agreements by diversifying imports and exports with their Australian counterparts. It shows how Vietnamese manufacturing and services are already significant sources of value add to Australian goods and services.

Collaborations with Australian universities and research organisations for applied research and experimental development have delivered benefits

for Vietnamese companies and there is potential for more of such arrangements. Meanwhile, Vietnamese information technology entrepreneurs are providing a growing range of services to Australian business. Chapter Two covers the forces driving increased trade and investment by Viet Nam in Australia. Company case studies highlight successful ventures:

Annex one details the data and policy analysis: page 40 - 60.

TRADE Viet Nam is a successful, dynamic economy with an increasingly internationalised business community and is Australia's fastest-growing trading partner among ASEAN economies.



INTEGRATION Cross-border value chain deals allow both countries to prosper from the other's success.

INVESTMENT Vietnamese FDI in Australia is modest but has increased across a range of sectors and there is growing awareness that Australia is a safe, stable, and welcoming investment environment.

innovation Viet Nam is now an established centre for outsourced ICT development for Australian business, and Vietnamese companies have built successful arrangements to access Australian research and innovation to drive growth.

The Road Ahead

The third part of this report presents key issues from consultations with policymakers, companies, business organisations, and academics for Vietnamese businesses involved in trade, investment, and innovation in Australia.

It discusses some of the challenges experienced by Vietnamese companies; differences between Vietnamese and Australian business culture; helpful support provided by Government agencies, business organisations and others; and the alumni, diaspora, and expatriates that can also provide advice. Chapter Three presents some key issues for Vietnamese businesses wishing to act on opportunities in Australia. It reviews some perceptions of Australia from individuals and companies already here – a genuinely viable market for companies willing to engage and prepare to meet local preferences and requirements.

Consultation participants confirmed doing business in the country is different but is not "too hard". Australian consumers are interested in good, well-priced products and there are segments of Australia's multicultural market prepared to support Vietnamese companies.

Chapter Three details the research on success factors for engaging with Australia: pages 31 to 35.

Australian and Vietnamese business dynamics do differ, but these differences are understandable and can be overcome with the right advice and preparation. There is an extensive and expanding network of support for businesses considering options in Australia. Government agencies in Australia and in Viet Nam are providing support. There are also many active business support organisations in both countries facilitating support at all stages of a company's journey.

There is also the option to draw on the expertise and goodwill of individuals in the Australian Vietnamese community, Australian-educated Vietnamese graduates (Australia's Vietnamese alumni) and overseas Vietnamese in Australia. This is an extensive network of 'soft' assets that can be leveraged to help companies to build their knowledge, understanding and capabilities.

The report concludes by summarising the key findings of our research, analysis, and consultation.

Annex 2 provides a compendium of useful resources. Support for interested firms is increasing across government and private sector bodies.



AFFLUENT AND ALIGNED CONSUMERS

Australian customers value quality and value-for-money goods and services. A substantial number of consumers have strong ties to Viet Nam in Australia's vibrant multicultural society



DIASPORA ASSETS The Vietnamese-born population is Australia's sixth-largest migrant community and there are over

50,000 Australian educated alumni in Viet Nam



NETWORKING Sources of advice on opportunities in Australia are expanding beyond government agencies



BUSINESS DYNAMICS Australian workplaces can be less hierarchical and more casual than in Viet Nam



SUCCESS Differences in Vietnamese and Australian business practices are readily bridged with familiarity

Key Findings

BUSINESS OPPORTUNITIES



Australia offers a unique blend of significant opportunities for export- and investment-ready Vietnamese firms willing to engage, adapt to local conditions, cultural realities and effectively leverage the unique eco-system.

SIGNIFICANT TRADE, VALUE CHAIN, INVESTMENT, AND INNOVATION OPPORTUNITIES EXIST IN RELATION TO:



Agriculture: including increased exports of seafood, tropical fruit, and organic produce, and expanding value-chains in agricultural commodities already operating between Viet Nam and Australia

Manufactured Goods: electronics; textiles clothing and footwear; furniture; processed food and beverages.

Resources and energy: mining and resources investment, including in the renewables sector – a shared priority.

Services: digital services, distributive trade, travel, and tourism services.

WHY AUSTRALIA FOR VIETNAMESE BUSINESS?

Australia is a top ranked advanced economy that performs strongly across a wide range of global indicators.

The two countries have a strong bilateral relationship and open trade policy settings anchored in modern FTAs.



Further trade and investment opportunities are available in a range of sectors based on mutual compatibility.

Exporters can access Australia's stable, affluent and accessible market ranked well for ease of doing business.

Underutilised and growing people-to-people linkages can support trade and investment development.

Australia represents a source of science, technology and innovation for Vietnamese companies.

BUSINESS DYNAMICS





Time and exposure helps the adjustment and normalisation within business relationships.

Companies can use the knowledge and experience of Vietnamese-born Australians and Australian-Vietnamese, Vietnamese students and graduates of Australian universities, and expatriates in both countries.

REALITIES OF DOING BUSINESS IN AUSTRALIA

There are realisable opportunities for firms able to commit time and resources. Companies may risk missing opportunities if they 'play it safe'.

All new markets have challenges and require planning, time, and resources to develop understanding. Australia is the same, but information and help is readily accessible to help companies get over the initial learning curve.

The English language dominates business discussions. However, Vietnamese is the fifth most spoken language in Australia and translators are readily available if needed.



Australians seem more casual than Vietnamese but are very professional with strong industry understanding. They are outward looking and curious about potential business opportunities.

Australians are positive about Viet Nam but can lack direct experience of working with Vietnamese businesses. Differences in business practices are overcome through awareness, perseverance, and adjustment on both sides.

Firms should prepare early if they require business visas. It is worth getting advice and assistance.

It is helpful to get advice on Australian laws and regulations on tax and employment, throughout the process from an independent professional source.

There is a strong Vietnamese demographic, economic and cultural presence in Australia which can be a useful resource for business.

AN AGENDA FOR SUCCESS

Companies with confidence, self-belief, and a longer-term, strategic mindset will secure greater benefits.

Products that are high quality and competitively priced will be rewarded in the Australian market.

Companies can export directly by establishing a base in Australia, or indirectly through agents or partners.

There is support in Viet Nam and Australia (government and business groups) for exporters and potential investors.



Start small and then expand as you learn rather than over-reach too early. From little things, big things grow.

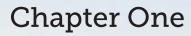
Professional advice can help firms to understand, navigate and comply with Australia's laws and regulations.

Developing a reputation for dependability and reliability is a key factor for market success.

Invest time to network and build trusted contacts for introductions, information, referrals, and selection of partners.

Build a team and networks with cross-cultural awareness and experience to help you succeed in Australia.





Australia: a natural growth partner for Viet Nam



Australia is an advanced and globally connected economy in the Asian region, offering Vietnamese businesses stable democratic political institutions; strong rule of law and strong governance; sophisticated financial systems; a stable economy recovering from a sharp but shallow impact of COVID; a record of unbroken growth for three decades before COVID; a competitive and globally integrated business sector; a multicultural society; investment opportunities; an open, wealthy and tech-savvy but manageable scale market for both trade and investment; an educated and skilled workforce; a world class innovation system; and a robust and transparent regulatory system.



Australia has three main time zones within its borders – Australian Eastern Standard Time (AEST) GMT+10: Canberra*, Sydney*, Melbourne*, Hobart*, and Brisbane, Australian Central Standard Time (ACST) GMT+9.5: Adelaide* and Darwin, and Australia Western Standard Time (AWST) GMT+8: Perth. All times are well aligned with Viet Nam (i.e. GMT+7) and the region and access both the close of business in the United States and opening of trading in Europe.

* Indicates capital cities and their states/territories that observe Daylight Savings from October to March annually where clocks are put forward by 1 hour ahead of their GMT times.'

Demographics

Australia's population was

25,704,340

people in 2021 (ABS) with an estimated annual growth of

0.1%

Population projection for 2030

28,177,480

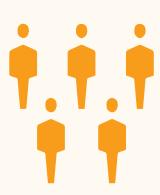
Rural

13.8%

Urban

86.2%

mostly in larger cities making it easier to prioritise where to launch a product or service



Male

49.8% Female

50.2%

Median age

37 years

Capital cities

36.5 yearsRest of Australia

41.4 years

Life expectancy is high:

82.8 years

for males and females at birth combined in 2018.

Ranked 7th

in OECD

It is a multicultural country with **one of the most ethnically and culturally diverse** countries in the world.

Ethnicity (2020):

29.8% of Australia's population were

born overseas.

over 7.6 million

migrants living in Australia.



The proportion of the population born overseas varies across the state and territory level as follows: WA 35%, VIC 31%, NSW 30%, QLD 24%, SA 24%, NT 23%, ACT 28%, TAS 5%.

Languages: The national language is English.

Viet Nam is the fifth most spoken language in Australia.

Ā Ż

Religion: Freedom of religion is protected in the Constitution and there are

more than 100 religious' affiliations.

Christian (52.1%), 'No religion' (30.1%), Islam (2.6%), Buddhism (2.4%), Hinduism (1.9%), Sikhism (0.5%), Judaism (0.4%).



Australian Labour Statistics

Australian Labour Force

13.2 million

Participation (2021)

66%

Unemployment rate

4.6%

By occupation: Services

78%Construction

10%

Manufacturing

7%

Agriculture

3% Mining

2%



Literacy (2016)

99.00%

Education: High School

83%

Certificate and Diploma level

30.6%

University Bachelor or higher

24.3%

Economy

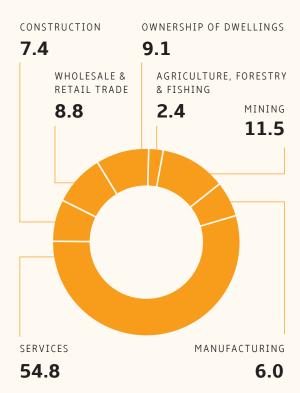


13th largest economies

High GDP per capita 2020 **US\$51,812**

The World Economic Forum's Global Competitiveness Index for 2019 ranked Australia at 16; and The World Bank's Ease of Doing Business Index for 2020 ranked Australia at 14.

Gross value added by industry, June 2021



The chart shows a highly developed mixed economy.²

COVID Impact - Australian economy contracted 0.3% in 2019-20, ending 28 consecutive years of economic growth as economic activity was impacted by COVID-related restrictions and containment measures.

Variable effect in state and territories - Gross State Product annual growth, 2019-20: WA 1.4% NT 5.3%, QLD -1.1%, SA -1.4%, NSW -0.7% Victoria -0.5%, Tasmania 0.3%

Projected Post-COVID growth % showing a 'savage but shallow shock':

- IMF 4.5% 2021 2.8% in 2022. IMF's forecast confirms Australia has outperformed all major advanced economies in 2021. IMF Inflation projections to remain below the central bank's 2-3% target band 1.7% 2021 1.6% in 2022.
- IMD World Competitiveness 2021: Overall 22nd of 63 economies
- IMD World Competitiveness 2021: Digital 20th of 63 economies based on knowledge, talent and future readiness.



Investment



Level of Australian investment abroad

AU\$3 trillion

Level of foreign investment in Australia

AU\$3.9 trillion respectively

Australia has the 14th-highest amount of Foreign Direct Investment (FDI) globally underpinned by a solid mix of overall mix enticements: a thriving stable economy, political stability, smart policies, geographical advantages, resources and assets:

- Economy 13th in the world (IMF 2020)
- Ease of Doing Business 14th globally 4th in the OECD (World Bank 2020): positive business regulatory environment.
- OECD Better Life Index (2020) ranked Australia 2nd in the world for quality of life
- Global Peace Index 10th globally with a lack of conflict, good relations with neighbours, strong business environment, strong human capital, low corruption, and equitable distribution of resources.
- UN Human Development Index Australia ranked 8th out of 189 countries and territories (2019) with a score of 0.944

Innovation

Australia's innovation credentials

Ranked 1st

For technological readiness



Ranked 3rd

For number of universities in the world's top100



Ranked 6th

Global Entrepreneurship



CSIRO ranks in the

Top (1st)

of the world's scienctific institutions in 15 to 22 research fields



About 51%

of Australian firms are 'innovation active'



Around 47%

of Australia's workforce has a tertiary qualification



2020 Australia's innovation capabilities

22nd among the 49 high-income group economies - 6th among the 17 economies in Southeast Asia, East Asia, and Oceania in the World Intellectual Property Organisation's (WIPO) Global Innovation Index (GII) that measures an economy's innovation performance.

Three of the top 100 global science and technology clusters, Melbourne (35), Sydney (37) and Brisbane (83).

Seven Australian universities rank in the world's top 100.

Seventeen Australian universities made it into the top 100 for impact on UN Sustainable Development Goals.

Australian academics are

current global leaders

in 20 critical fields.

16 Nobel Prize winners

since 1915.

An Overview of Australia for Vietnamese Business

ustralia is a vast island continent and the sixth-largest country on earth with a landmass of almost 7.7 million sq km. It is situated about 5000 km and 6 hours flying time south-east of Viet Nam. Its nearest neighbours are Papua New Guinea (PNG), New Zealand (NZ), and the Pacific Island nation-states.

As a regional middle power, Australia's foreign policy blends strong bilateral relationships and active participation in regional and global multilateral bodies.

Australia is allied to New Zealand (NZ) and the United States (US) through the ANZUS security treaty, is a Quadrilateral Security Dialogue member with Japan, India, and the US, and a member of the new AUKUS defence partnership with the United Kingdom (UK) and the US. Australia has a transparent stance in global and regional strategic issues, based on protecting national sovereignty and security, and promoting a favourable international environment, including a peaceful, stable, resilient, and prosperous Indo-Pacific region, and an open, rules-based trading system.

Australia was a founding member of Asia Pacific Economic Cooperation (APEC), belongs to the Commonwealth and the United Nations (UN) and is a loyal partner of ASEAN.

Australia is famous for its magnificent natural environment. Its size ensures a great diversity of landscapes from lush agricultural holdings to tropical rainforests and deserts with a rich endowment of mineral resources and agricultural land.³ The challenge to manage and keep this national heritage is a prominent feature of contemporary Australia.

Australia is one of the most urbanised nations in the world. Its small population is concentrated along the east coast and in state capitals. Australia has six states: New South Wales (NSW), Queensland (QLD), South Australia (SA), Tasmania (TAS), Victoria (VIC), Western Australia (WA); and two mainland

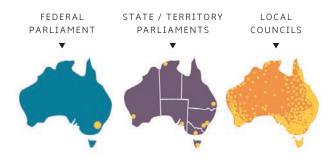
territories: the Australian Capital Territory (ACT) and the Northern Territory (NT). In addition, Australia administers seven external territories, including the Australian Antarctic Territory and islands groups around Australia.

Australia has been inhabited by the Aboriginal peoples for over 60,000 years. They are the world's oldest living culture. White settlement in Australia dates from 1788, with the arrival of the British and establishment of six colonies over time until 1901 when the separate colonies agreed to federate, creating the Commonwealth of Australia. Today Australia is a federal parliamentary constitutional monarchy. While Queen Elizabeth is the constitutional head of state, she is represented by the Australian Governor-General, currently David Hurley, a retired military officer.

Leadership and decision making is conducted by three levels of elected government: federal, state, and local. The political environment in Australia is stable and predictable and the government is highly effective across all tiers, providing a well-developed, transparent, and stable regulatory environment for business.

Overall authority for national issues is vested in the Prime Minister and Government of the day also known as the Government of Australia, or Commonwealth Government. The Federal Government is responsible for defence, foreign affairs, trade and commerce, taxation, customs and excise duties, pensions, immigration, and postal services.

Three levels of Government in Australia



Each State or Territory has a Parliament and democratically-elected State Government led by a party-elected State Premier or Chief Minister (Territories) and oversee laws affecting their residents. Local governments (Local Councils) handle community needs like local planning and development, waste collection, and public facilities and town planning.

Australia's governments are made up of democratically elected representatives elected every three or four years. Most candidates are from political parties, and at state and federal levels, Government is typically formed by the political party (or coalition) which carries the majority. The largest losing party typically forms the official 'Opposition'.

Australian politics is dominated by the conservative coalition of the Liberal and National Parties and the Labor Party. But there is rising support for smaller parties and Independent (non-party) individuals, and these politicians sometimes have a significant impact on government decision making.

Australia is a developed country with an advanced economy, a small population, and a high rate of GDP per capita contributing to a high standard of living. Australia holds the record for the longest run of growth in the developed world, recording 28 years of uninterrupted growth until a COVID-driven dip in 2020. Australia is a relatively resilient, adaptable, and lowrisk environment for business.

Manufacturing is a vital part of the Australian economy. The sector is a significant employer, exporter, and investor in business research and development. Manufacturing companies are supported through governments' industry development strategies to create conditions for longer-term growth, an industry-focused science and technology system to boost productivity, scale and competitiveness.⁴ Support for manufacturing to meet Industry 4.0 is a national priority, to develop advanced capabilities in food and beverage, medical devices, resource processing, recycling and clean energy, defence and space manufacturing.

Australia's world-class research institutions and universities have partnerships with manufacturing multinationals, for example Boeing in advanced materials and manufacturing, Takeda Pharmaceutical Co. in research for new therapies, and Teijin with Australia's The Healthy Grain to produce new superfoods.⁵

Australia is a global leader in agricultural production and exports with strong natural and structural advantages including favourable climates and ample land, and extensive infrastructure close to growing Asian markets.⁶ The sector is a mainstay of the Australian economy, with skilled and increasingly technology-savvy labour producing for domestic and export markets. Australia's agricultural markets and supply chains are well developed and internationally oriented. The industry consistently attracts foreign investment as a low-risk sector with strong longterm growth opportunities.7 Companies such as Singapore based Olam International, has invested in Australian agriculture, and collaborated with leading R&D organisations to support innovation and growth.8 Australia has innovation capabilities in agriculture, agribusiness, and agritech, covering crops, livestock, water, soils, and land management.

Australia's wealth of mineral and mining resources has created a world-class mining sector. Complementing the prime mining companies operating in Australia such as BHP and Rio Tinto, are hundreds of globally competitive mining equipment, technology, and services (METS) suppliers at the forefront of the industry.

The sector receives the largest share of foreign investment in Australia, including increasing investment by companies from emerging economies. There is significant international collaboration and industry involvement in Australian innovation around mining. For example, since 2011, China's Baosteel - one of its leading steel companies – has invested extensively in the Baosteel-Australia Joint Research and Development Centre to collaborate with five leading Australian universities on Australian research of interest to Baosteel.⁹

Australia's renewable energy sector has shown remarkable growth over the past five years and is a policy priority nationally and in all States and Territories. By 2020, 24% of Australia's total electricity generation was from renewable energy sources, including solar (9%), wind (9%) and hydro (6%). All three segments have attracted substantial FDI. For example, China's largest wind energy company, Goldwind, has been investing in Australia since 2010 and has three operational wind and solar renewable energy projects and four more in development. 11

Australia, which is rich in minerals used for batteries like lithium and nickel, is poised to develop supply chains for electric vehicle batteries and the green energy age. For example, Tesla recently confirmed it will source battery raw materials from Australia given the country's reliable mining industry and responsible production practices and China's Yibin Tianyi has an agreement with Australia's Pilbara Minerals to provide 40,000 tons a year of concentrated spodumene (lithium ore).¹²

Australian service sectors, led by education and tourism, with well-developed capacity in health, ICT, and professional services, drive the economy. Australia has attracted extensive FDI in service industries, predominantly in the non-traded areas of finance, property and business, and wholesale and retail services. Services trade is dominated by education and tourism exports. Tourism with countries like Viet Nam similarly dominates imports, with growth in outsourced overseas services in ICT and business processing.

Comprehensive information of industry sectors in Australia is maintained by Australian governments and industry groups.¹³

Australia has a well-developed innovation system, with diverse world-class research capabilities. ¹⁴ In the World Intellectual Property Organisation's (WIPO) Global Innovation Index (GII), Australia is ranked 22nd among the 49 high-income group economies, scoring strongly against the seven Global Innovation Index (GII) pillars.

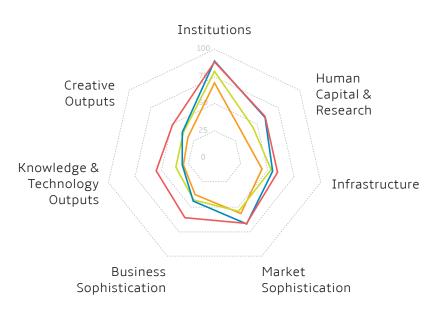
Australian science is noted for being strongly outward-looking and internationally connected. This includes collaborations between Australian research institutions and universities with many overseas companies to create and disseminate knowledge. With high-quality research institutions, specialist research, and problem-solving skills, Australia offers global companies a proven track record and the opportunity to develop for the future.

For example, in 2017, the first Torch Innovation Precinct outside China was established at the University of New South Wales (UNSW) with an initial AU\$30 million from eight Chinese companies. The precinct is backed by the Ministry of Science & Technology's flagship 'Torch' high technology industry development program. This initiative will support Australian research, including in advanced materials, photovoltaics, biotechnology, energy,

solar energy, quantum computing, materials, water and HIV/AIDS and environmental engineering. Torch brings together industry, SMEs, entrepreneurs, investors and policymakers from Australia, China and beyond.

Australian contemporary society is vibrantly multicultural, mixing Aboriginal and Torres Strait Islander, Anglo-Celtic, and immigrant cultures from virtually every continent. Indigenous Australians have a vital and growing voice in society, leading to reconciliation between non-Indigenous and Indigenous Australians on legal land rights, political representation, cultural and heritage protection, and equitable social participation.

Australia's Scores in the GII pillars 2020



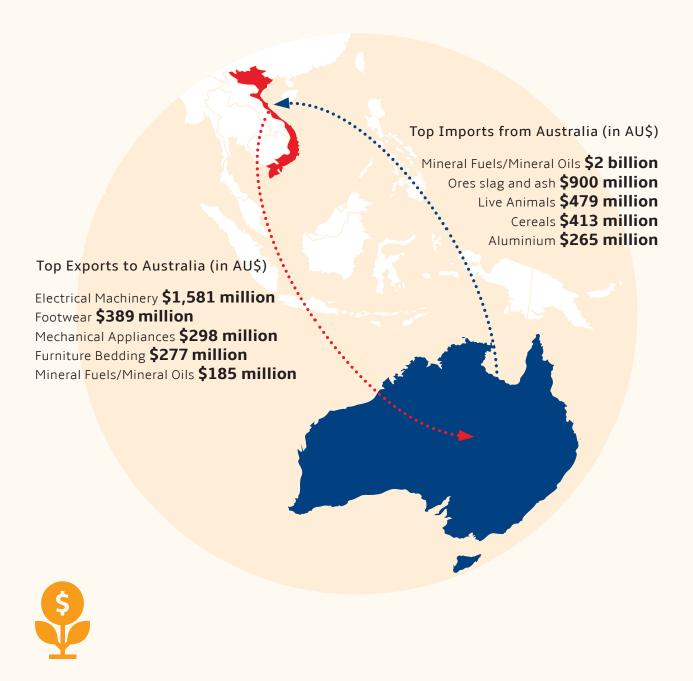
AUSTRALIAHIGH-INCOMETOP 10SOUTH EAST ASIA, EAST ASIA & OCEANIA

Since European settlement, the national ethos has celebrated egalitarianism, freedom of opinion, 'a fair go', a healthy scepticism of authority, and mateship. Multiculturalism has reinforced the virtues of tolerance and respect for diverse ways of life. Migration has been a constant and significant factor in Australia, with almost seven million migrants settling since World War II. In recent decades, migration has significantly increased from Asia, accounting for 56 per cent of Australia's migrant intake in 2016-17. Migration from Viet Nam has continued since the first wave of arrivals in the mid-1970s after the war.

Modern society features vigorous public debate about issues from different perspectives, and individuals have the right to voice an opinion in most settings including in the business context. Australians are keen international travellers and generally globally aware. Business knowledge and understanding of operating in Asian economies and with Asian partners is growing and expands quickly when required. Australians generally are keen to bridge the difference between cultures and will actively seek knowledge to make relationships work.



The Bilateral Relationship



Investment

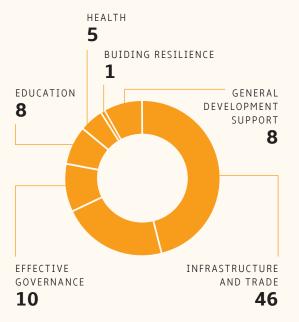
- Viet Nam's cumulative investment in Australia by 2020 amounted to **US\$722 million** (GSO Vietnam statistics)
- Total stock of Australian investment in Viet Nam just under AU\$2.5 billion (2018 Viet Nam Embassy data)

Overseas Developmental Assistance (ODA)15

%Total Australian ODA	1.9%	2.0%	2.0%
Total ODA to Viet Nam	77.9	78.9	78.9
Other Government Departments	4.3	3.0	4.4
Global	6.7	7.3	12.5
Regional	14.8	11.3	4.7
Country	52.1	52.1	52.1

^{*} due to rounding, discrepancies may occur between sums of the component items and totals

Australian ODA to Viet Nam, by Investment priorities 2021-22 Budget Estimate (%)



Timeline

1973

Diplomatic relations established. Australia is one of the first western countries to recognise Viet Nam

1995

Viet Nam joins ASEAN

1998 -

Viet Nam joins APEC

2013

40 years of bilateral relations.

Australian development
assistance - AU\$160 million for
the Cao Lanh bridge (Dong Thap)

2014

Australia becomes a formal Strategic Partner of ASEAN

2020

13th National Party Congress reiterates commitment to expanding the relationship with Australia as a proven supporter of Viet Nam's reform agenda, transformation, and and economic growth.

2021

Australia commits over 7.8 million COVID vaccines to Viet Nam and helps to access more through UNICEF and COVX

1975

Australian development assistance to Viet Nam commences

1988

OTC (now Telstra) working on communications infrastructure in Viet Nam

1993

ANZ opens a branch in Hanoi, one of the first foreign banks to operate in Viet Nam

1989

The idea of APEC was first publicly raised by Australian PM Hawke and formed 10 months later

2000

Australian assistance of AU\$91 million for My Thuan bridge (Tien Giang). RMIT opens RMIT Viet Nam

2007

Viet Nam joins the World Trade Organisation (WTO)

2010

ASEAN-Australia-New Zealand AANZFTA

2009

The two countries established a Comprehensive Partnership to strengthen growing ties

2015

Australia-ASEAN Council (AAC) formed

2018

Australia and Viet Nam elevate the bilateral relationship to a Strategic Partnership

2020

Australia supports Viet Nam as a non-permanent member of the UN Security Council. ASEAN-Australia Strategic Partnership renewed under Viet Nam's 2020 ASEAN Chairmanship

2019

CPTPP enters into force. 45 years of Australia's diplomatic relations with ASEAN

2021

Prime Ministers jointly launch the Enhanced Economic Engagement Strategy (EEES) at COP26.

People to People Connection (2017)



Australian visitors to Viet Nam

269,500



Vietnamese visitors to Australia

80,400



Australian Government supported volunteers

77



Resident Australian population born in Viet Nam

219,351



Vietnamese student enrolments in Australia (2016)

29,766



Vietnamese recipients of Australia Awards

221



Australia NGO Cooperation program

AU\$6.1 million



Australian participants in New Colombo Plan

341

Australian Vietnamese demographics



Vietnamese-born population is the

sixth largest migrant community in Australia.

(ABS Migration Australia 2019)

Vietnamese born population represents

3.5% of Australia's overseas-born population (1.0% of Australia's total population).

Vietnamese-born people in Australia (2019)

262,910 increased by 32.9 per cent from 2009 total of 197,820.

Australia's Vietnamese-born migrants:

Median age of 46.5 years,

9.1 years above that of the general population. Females 55.8% Male 44.2%.

ustralia and Viet Nam's relationship is nearly 50 years old, covering political, economic, security, education, and development assistance issues and deep people-to-people links. Growing trade and investment reflect significant economic complementarities and comparative advantages, supported by participation in multilateral bodies and Free Trade Agreements (FTA).

Viet Nam and Australia are members of a web of regional trade agreements and forums. Both countries are party to the ASEAN-Australia-New Zealand FTA (2010), the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP) (2018) and the Regional Comprehensive Economic Partnership (RCEP), delivering market access advantages for Australian and Vietnamese goods and services in the bilateral context.

Viet Nam and Australia participate in multilateral groupings such as APEC, the East Asia Summit (EAS), the Cairns Group and the United Nations (UN). Viet Nam is a key member of ASEAN and Australia is ASEAN's oldest dialogue partner.

Australia's Free Trade Agreements

RCEP ASEAN: **AANZFTA** Cambodia Thailand Indonesia China Laos South Korea Myanmar Philippines Brunei Darussalam **CPTPP** Malaysia Australia Viet Nam Singapore New Zealand Japan Canada, Chile, Mexico, Peru

The formal bilateral relationship has advanced from a comprehensive partnership in 2009, which was enhanced in 2015, to a Strategic Partnership in 2018 during the ASEAN-Australia Special Summit in Sydney. 16 The Strategic Partnership builds on shared geo-political and geo-economic interests. Both countries seek to reduce economic over-reliance on China as a dominant trading partner and support an open rules-based security and economic order in Asia and the centrality of ASEAN in maintaining regional stability. Both continue to advocate for trade liberalisation and have outward looking foreign policies that emphasise strengthening regional and multilateral coalitions of like-minded states, like Japan, India, and Korea. Both countries have signed an MoU to collaborate and exchange experiences and knowledge on digital transformation and e-government adoption.17

Australia is an active and sustained contributor of development assistance to countries in the Indo-Pacific region, including Viet Nam. Australia is one of the largest donors to Viet Nam and is committed to supporting Vietnamese priorities with this assistance. The relationship with Viet Nam over recent decades included critical infrastructure assistance to construct major bridges and Telstra's role in providing the country's first satellite for HCMC television. In 2021 development assistance

of AU\$78.9 million helped anchor a diverse economic partnership.¹⁹

In 2021, development assistance spans three areas: health security, stability, and economic recovery. Australia provides support to strengthen Viet Nam's health system including more than five million COVID Astra Zeneca, Moderna and Pfizer vaccine doses with syringes, training, and support for cold chain storage and rollout in remote provinces.²⁰ Australia's cooperation in science, technology, and innovation aims to support Viet Nam priorities, including development of the national innovation system, to drive growth and development. In 2020 Viet Nam's innovation capabilities were ranked

42nd in the World Intellectual Property Organization (WIPO) Global Innovation Index and first of 29 lower-middle- income economies. WIPO cites Viet Nam's constant improvement as an exemplar for other developing economies.²¹

In 2021, Australia contributed to two reports to support Viet Nam's development of the national innovation system. The first, a joint report by the Viet Nam Ministry of Science and Technology (MOST) and Australia's Commonwealth Science and Industrial Research Organisation (CSIRO), titled 'Technological change in Viet Nam: the contribution of technology to economic growth', found technology adoption contributed more than 50% to total economic growth of Viet Nam over the 2016-2019 period. It found that policies are yet to match the demands of businesses and recommended a strong focus on the adoption and diffusion of existing technologies among businesses.²²

A second report from Australia and the World Bank, Vibrant Viet Nam: Forging the Foundation of a High-Income Economy, highlighted the need for Viet Nam to boost GDP growth through productivity gains. This will require considerable improvements in domestic innovation capabilities, which in turn needs an enabling innovation eco-system to overcome weaknesses such as a low level of sophistication of production and exports, and limited innovation or research and development capacity in the business sector.²³

Both reports highlight the important contributions that science, technology and innovation will increasingly make to Viet Nam's socio-economic development. Australia is supporting the establishment of a Viet Nam-Australia research centre to help the country access and apply technical knowledge and skills to contribute to sustainable economic development and growth and strengthen relations with Australia. R&D is often the first critical step in business innovation in product development. Vietnamese company innovation awareness and appetite is growing. Australia helps to expand firmlevel innovation capabilities in Viet Nam through Aus4Innovation and other projects focused on the private sector.

Institutions such as the CSIRO and the Australian Centre for International Agricultural Research (ACIAR) have a long history of cooperation with





Viet Nam, and the region. The relationships have evolved to include collaborative partnerships to meet the challenges of Industry 4.0 and climate change alongside sectoral assistance projects. Australia aims to provide Vietnamese enterprises with opportunities to access Australian and international innovation. For example, in collaboration with the Ministry of Science and Technology and allied agencies, Australia is building an artificial intelligence (AI) cooperation network to gather Vietnamese individuals, businesses, and organisations working in AI to cooperate with Australian partners. Es

During 2021, five projects, supported under the Australian Innovation Partnership Grants, have teamed Vietnamese companies with Australian technology and expertise to apply potential innovations in a range of sectors. Projects included an acceleration program for agricultural start-ups to access ag- and fin-tech; building a cooling chain for vegetables from Son La province with innovative lowcost technology; production of high-value products from catfish; an environmental monitoring system for mangrove aquaculture; and a sensor network for flood monitoring.²⁶ A further four projects featuring business partnerships under Australia's successful Business Partnerships Platform are also underway. They are for dual use of solar energy in agriculture and aquaculture in the Mekong Delta, (Vietnamese industry partner: Vu Phong Energy Group); bioenergy on commercial farms; advanced vertical farming (in partnership with Orlar Viet Nam); and sustainable cricket farming.²⁷

Vietnamese enterprises that have proactively collaborated with Australian research agencies are showcased in Chapter Three.

In December 2021, the Australian and Vietnamese Governments released a new Enhanced Economic Engagement Strategy to become top-ten trade partners and double investment. The EEES builds on growing government ties between the two countries since the establishment of a Strategic Partnership at the 2018 Special ASEAN summit in Sydney, and a widening web of trade deals including the ASEAN-Australia-New Zealand FTA since 2010; the CPTPP since 2018; and the Regional Comprehensive Economic Partnership from 2022.

Viet Nam-Australia Enhanced Economic Engagement Strategy and 2021-25 EEES Implementation Plan

In December 2021 a joint Viet Nam-Australia Enhanced Economic Engagement Strategy and Implementation Plan covering 2021-2025 was released to forge further commercial links, increase trade, and stimulate cross-border investment.

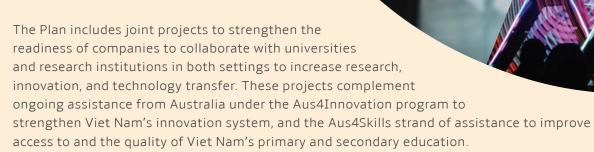
The release is championed by both Governments and welcomed by industry, to strengthen the framework for economic recovery and development after COVID. The intent of the EEES and Implementation Plan is to define, prioritize, and articulate the key issues and challenges for joint attention to foster deeper engagement for mutual benefits. It marks a new era of cooperation and mutual commitment to a coordinated and purposeful strategy.

The Strategy identifies key sectors where Viet Nam and Australia can deepen the trade and investment relationship including education, skills, and training; resources and energy; agriculture, forestry and fisheries; manufacturing; tourism; science, technology and innovation; digital economy; logistics and other services.

The Implementation Plan is a comprehensive and detailed blueprint and timeline for practical action and priority initiatives to support and grow bilateral trade and investment. The Plan provides a work program out to 2025 with identified areas for regular official cooperation to foster fertile business and investment environments, lift awareness of economic complementarities and associated commercial opportunities, and support business organisations and their member companies in endeavours to foster trade and investment. It combines targeted national action, bilateral support and assistance, and joint action to address key issues.

There is a strong focus across the Plan on SMEs and the empowerment of women. Australia has committed to extensive support for Viet Nam's reform and development programs including in tertiary and vocational education, science, technology and innovation, the

digital economy, and financial market governance. The Plan has identified key administrative and market access procedures for attention, alongside commitments to work together to expedite market access negotiations for key products on both sides, for example for fresh passion fruit, star apple, rambutan and whole shrimp from Viet Nam. Work has also been identified to assess the strength and value of existing and potential Australia-Viet Nam value chains in key sectors.



At a sub-national level, Australian state and territory governments also maintain bilateral relationships with Vietnamese provinces. In 2019, NSW signed a strategic sister-state partnership with HCMC to boost trade and investment. The Victorian Government has a twinning agreement with HCMC with a focus on education training, smart city building, agriculture, and innovation.²⁸ WA has an MOU with the Ba Ria-Vung Tau (BRVT) province to develop economic engagement, education, culture and the arts.²⁹ Da Nang and the Gold Coast city in Queensland have an MOU for bilateral cooperation in education, health care, natural disaster management, maritime transport, trade, investment, technology and renewable energy.³⁰ Business is able to leverage these agreements to support commercial activities.

Both sides are engaged in internal preparations to take these various strands of work forward. Industry in Australia and Viet Nam stand to significantly benefit from the successful bilateral implementation of the Strategy, and the mutual commitment to strengthen the framework for trade and investment between the two economies. In coming years, the Plan will drive meaningful engagement between Government agencies, industry – business support organisations, peak sectoral bodies, and companies – and innovation partners. This in turn will raise awareness of opportunities, and make it easier to act on these options, with greater certainty and support for companies interested in trade, investment, and technology transfer.

The Strategy and Implementation Plan were conceived before the global pandemic but are critical strategic initiatives to ensure Australia and Viet Nam support each other as the world emerges from COVID. Post pandemic economic recovery will benefit from the strong foundations for bilateral economic engagement.

SOLID FOUNDATIONS FOR ECONOMIC ENGAGEMENT

A strong and positive political relationship: This has matured over four decades in trade, investment, development assistance, security, and innovation. The new EEES will support this.

Australian commitment: Australia has been a supporter of Viet Nam's reform agenda, ambitious transformation and growth, and will continue as a long-term, constructive development partner.

Alignment beyond the bilateral: The bilateral relationship reflects a shared commitment to building a region that is open, transparent, and resilient to future economic shocks.

Maximising trade and investment complementarity: The trade relationship is highly complementary across goods, services, and investment, and could support further economic activity for mutual benefits to achieve diversification, resilience, and economic recovery.

Leveraging open policy settings: Australia is an outward-looking economy with relatively open settings creating a stable and open base for expanding trade and investment. Australia and Viet Nam take part in FTA networks, including with each other through AANZFTA, CPTPP and RCEP, reducing barriers, bringing certainty for investment, improving mobility, and opening services and digital trade.

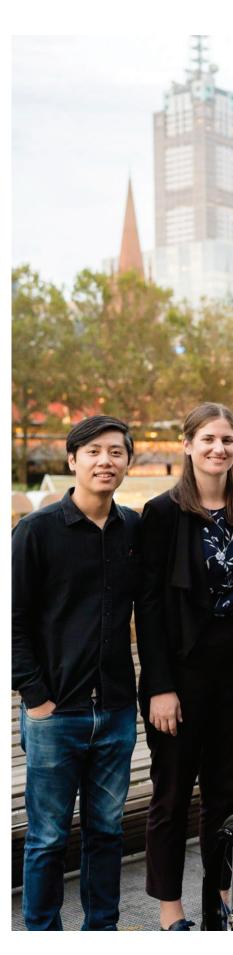
Expanding dynamic, growing trade and investment: Vietnamese exports and investment to Australia have grown significantly, in some cases at a faster rate than with the rest of the world.

Significant people-to-people links: These links between leaders, officials, academia, tourism, students, and business-to-business can be leveraged by companies with entrepreneurial flair.

Driving diversification: Viet Nam is well placed to build on its complementary and growing trade relationship with Australia as both economies seek to diversify trade and investment in coming years.

Adding value, realising mutual benefits: Viet Nam adds value to Australian goods, services and exports, and there is potential to expand these value-chain linkages in existing and new areas.

Strong support on both sides for business: Expanding bilateral government links at national, state, and local levels can support commercial, innovation and development activities.







his chapter identifies the sectors that offer key opportunities for Vietnamese business, with case studies of Vietnamese companies that have acted already and expanded their engagement with Australia, benefiting from the positive framework between the two economies, and Australia's robust market opportunities.

On the strength of these positive factors, the level of engagement is healthy and growing – Viet Nam has a dynamic and growing trade and investment relationship with Australia. Viet Nam is one of Australia's fastest growing trading partners in the ASEAN region, and growth continued in 2021 despite COVID. In some cases, trade in goods and services with Australia is growing at a faster rate than Viet Nam's trade with the rest of the world.

Viet Nam's manufacturing and exporting capacities in technology goods, apparel, and footwear, complement Australia's competitiveness in commodities and agricultural products, driving the bilateral trade in goods which currently accounts for the bulk of two-way trade. Trade in services, reflecting comparative advantages in travel, transport, and education, is increasing steadily off a lower base.

This complementarity not only underpins bilateral trade but also supports cross-border value chains that operate across the region. Vietnamese manufacturers make use of high-quality Australian raw materials and processed metals for use as inputs in manufactured goods that are sold in Viet Nam and exported to the world. Australian firms throughout the economy source Vietnamese finished goods and inputs including machinery and appliances, textiles and furniture, which then form part of the value of goods and services that are consumed in Australia or exported abroad. In this way, not only are Vietnamese exports vital inputs for economic activity in Australia, but also a proportion of their value helps to drive the competitiveness of Australia's finished goods (and vice versa). Participation in cross-border value chains allows both economies to prosper from the other's success.

Viet Nam's outward investment activity in Australia demonstrates complementarity with both Australia's economy and Viet Nam's export capability. This investment not only supports the development of Viet Nam's economy and export manufacturing industries, but also key areas of export and economic activity in Australia.

This table highlights areas of potential for further growth. $^{\rm 31}$

Sector	Industry	Viet Nam export readiness		Australian opportunity		
		Exports growing/ significant	Capability	Low barriers to trade & investment	Market/growth potential	Economic complementarity
Resources and	Fuels	L	L	Н	L	Н
energy	Renewable energy	М	M/H	Н	Н	Н
Agriculture	Seafood	Н	Н	М	М	М
	Electronic manufactures	Н	Н	Н	М	Н
Manufacturing	Textiles, clothing and footwear	Н	Н	М	М	н
	Furniture	Н	Н	М	Н	Н
	Processed food	L	М	Н	М	М
Services	Digital (SAAS- software as a service)	L	М	Н	Н	М
55. 11005	Distributive trade	M/H	Н	М	M/H	Н
	Travel/tourism	Н	Н	Н	М	Н

Red – lower-ranked opportunity. Blue – medium opportunity. Orange – high/medium opportunity. Green – high opportunity. Authors' assessment based on analysis prepared for this report. The sectoral opportunities are indicative and are not exhaustive.

Vietnamese outward direct investment (ODI) in Australia reflects complementarity with Australia's economy and Viet Nam's export capability. Just as Viet Nam has increased in importance as a market for Australian exports and as a supplier of Australian imports, there has been a discernible rise in Viet Nam's investment into Australia. Viet Nam's outward direct investment (ODI) is still small relative to its huge inward FDI but has increased dramatically.

Innovation linkages have expanded through development assistance and government-sponsored activities. There are cases of successful collaborations between a handful of Vietnamese companies and Australian research organisations but there is capacity for more such arrangements.

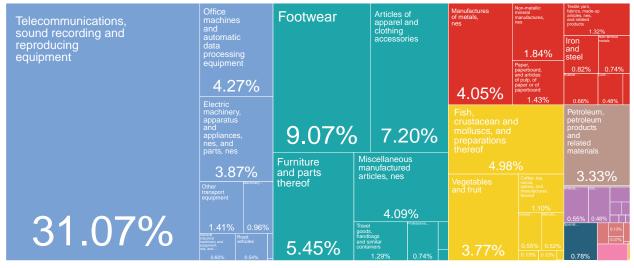


Trade in Goods

DFAT reported AU\$14.6 billion two-way goods trade between Viet Nam and Australia for the calendar year 2020.³² It was highly complementary, often supporting cross-border value chains. Viet Nam's

key exports to Australia are manufactured products, predominantly electrical goods, while Australia exports mainly minerals and agricultural products to Viet Nam.

Atlas of Economic Complexity: What did Vietnam export to Australia in 2019?



Source: Atlas of Economic Complexity

Most of Viet Nam's major exports to Australia have grown strongly over the past decade. In this period, total exports to Australia grew by 39%. Some product exports, such as footwear, clothing, fish, and crustaceans, have grown faster to Australia than to the rest of the world. At the product level, the fast-growing exports from Viet Nam to Australia in 2016-20 included rubber-soled footwear (more than 100%); frozen shrimps and prawns (more than 200%), mobile phones (more than 100%) and washing and cleaning preparations (more than 350%).

Australia's mobile phone market is dominated by smart phones distributed through retail and vendor outlets and major carriers such as Telstra, Optus and Vodaphone. Mobile phone handsets from foreignowned factories in Viet Nam (Samsung, Apple, Nokia, and Sony), dominate orders by Australian carriers. Smaller numbers of Oppo and Xiaomi phones (just over 5% of the market) sell through major retail outlets such as Officeworks. Vingroup subsidiary Vinsmart, a manufacturer of mobile phones since

2018, was in discussions with suppliers to Australian carriers, following a deal with US AT&T, before its decision to exit phone manufacturing in June 2021.³³

Drivers of trade flows have included stronger information flows on opportunities and paths to markets for many goods. There are, for example, ongoing government consultations to expand market access for a range of Vietnamese commodities such as for Vietnamese produce such as fresh passion fruit, rambutan, star apple and whole shrimp. Australia also continues to assist in improving technical capabilities such as testing shrimp in Viet Nam to meet Australian biosecurity requirements. Australia is Viet Nam's seventhlargest shrimp export market and Viet Nam is the largest shrimp supplier to Australia. Shrimp exports from Viet Nam are readily available in seafood retail and supermarket outlets. According to the Viet Nam Association of Seafood Exporters and Producers (VASEP), eighty-one firms exported shrimp to Australia in the second quarter of 2021, with a rise in the value and varieties.34

Despite COVID, export flows of goods held up during the pandemic. Vietnamese media have carried stories of new exporters of tropical fruits, food, and beverages to the Australian market. These have been supported by the Vietnamese Embassy in Canberra, and promotional - real and virtual - campaigns by the Viet Nam Trade Office in Sydney to build ties with distributors and lift awareness of Vietnamese goods. The Office confirmed stronger company participation in trade and business partnering events from the food, beverages, furniture, homeware, and construction sectors.

There is an established demand for Vietnamese fruits in the Australia-Asian retail segment. This is a good channel for other traditional Vietnamese food and beverage exports to target the 3.5 million citizens of Asian heritage as well as broader Australia. ³⁵ Viet Nam beer brands are likewise readily available in mainstream liquor outlets such as Dan Murphy's.

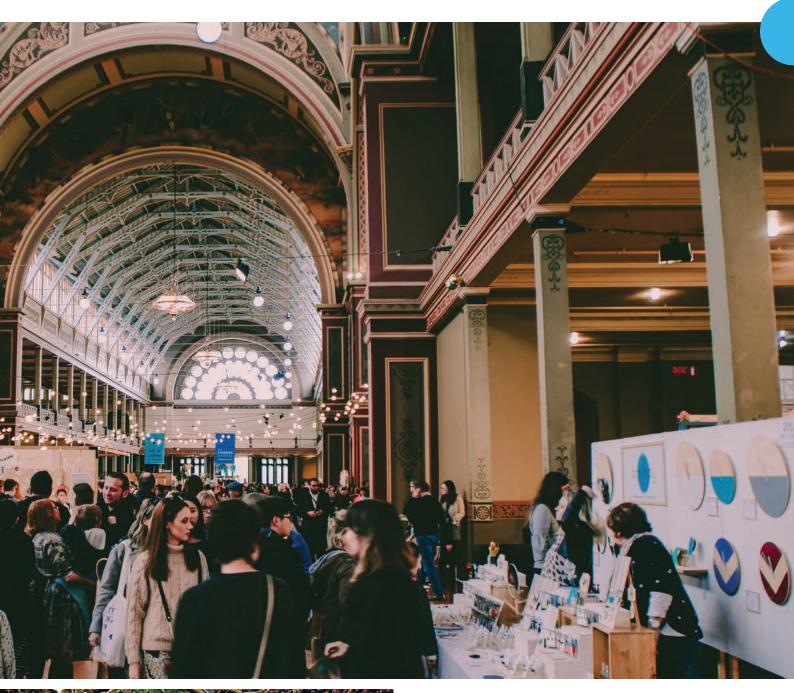
Other Vietnamese suppliers include stationery manufacturer Thien Long Group which exports art, office and stationery supplies to large retailers including Officeworks and Kmart using the Flexoffice and Colokit brands. An Phat Holdings JSC Chemical & Plastics Industry, which is the leading plastic bag manufacturer in Southeast Asia, plans to increase exports to Australia with new environmentally friendly products to replace disposable plastic bags.

One important and challenging cross-sectoral issue for Vietnamese business is building Viet Nam's national brand and company branding to market goods and services in Australia. The Australian market is replete with local and imported goods and services with well-known brands, recognised by target customers.³⁶ Unbranded products have a place in the market, but will receive significantly lower prices, and less or no consumer loyalty.

Viet Nam's global profile has risen in the past five years, but a "Made in Viet Nam" brand and value proposition is not widely visible in Australia. There is an opportunity to define, position and amplify the Viet Nam brand as Australians seek alternative suppliers of manufactured goods. It is an essential element in building, holding and deepening market share and companies should draw on efforts by the Vietnamese brand development centre (THV) under the Viet Nam Union of Science and Technology Association, and the Viet Nam Trade Office for help as they engage with Australia.









While branding can be a challenging concept for businesses and cross-border branding has additional difficulties, there are examples of Vietnamese branding for the Australian market. The Trade Office has recently developed niche branding for Vietnamese fruit and seafood produce which is beginning to get traction for the benefit of multiple smaller producers and exporters of produce to Australia. Kymdan a Vietnamese exporter of natural latex mattresses in Australia, has a brand, website, and marketing strategy with a strong company story, adoption of Australian standards and endorsement by Osteopathy Australia.³⁷

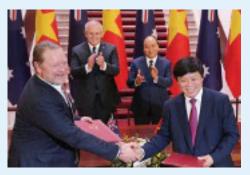
Trade in Services

iet Nam's services exports to Australia are dominated by travel and transport consistent with Viet Nam's services exports globally. They are small but growing rapidly with potential for future growth, reflecting comparative advantages in services capability. Viet Nam's total services exports to Australia were valued at AU\$1.5 billion in 2019, accounting for about 1.5% of Australia's total services imports.39 Australia's imports of services from Viet Nam grew 52.2% between 2009-2019 and 31.5% since 2015-2019, outpacing the growth of service exports from most competitors. 40 Viet Nam's share of Australia's services imports has grown steadily from 1.2% in 2009 to 1.5% in 2019 - on par with growth in Viet Nam's services exports to the world as its services industries have developed.41

Over the last five years (2015-2019) exports to Australia of personal, cultural, and recreational services (PCR); travel (personal, business, and educational), transport and government services exports have grown in excess of 24%. Growth from 2009 to 2019 has been even more marked – transport services grew by more than 65%, PCR services by 75% and travel by more than 50%. Education-related travel expanded by more than 80%. Travel and transport fell more than 70% between 2019 and 2020 due to pandemic-related restrictions. ⁴² However, Australia remains of significant interest to companies in Viet Nam's aviation and tourism industry.



Sovico Group and VietJet: opening up travel



Sovico Group is a leading Vietnamese conglomerate with extensive interests in finance and banking, real estate, aviation and industry. It is the parent holding company of VietJet, Viet Nam's second-largest airline. In 2019, Sovico opened a representative office in Melbourne, signing an MoU with Linfox to develop operations at Avalon,⁴³ Victoria's second airport, and assess commercial

investments in Victoria over the longer term. The two partners said they will cooperate in the development of passenger and cargo services, aviation facilities and hotel accommodation in Australia and open flight services between Viet Nam, Melbourne, and other regional destinations.

VietJet has activated its interest in Australia, building relationships with airport corporations across Australia and announcing plans to offer direct flights between Viet Nam and Australia on key routes after COVID, subject to regulatory approval. Australia represents a strong ready market with substantial flows of students, members of the diaspora, increasing business flows of Vietnamese and Australian nationals to both Hanoi and HCMC, on domestic routes and growing potential for transit traffic to other popular destinations in the Asia Pacific region, via HCMC.

VietJet also partners with RMIT University (a leader in aviation training) for pilot training in Melbourne, and RMIT Viet Nam to support the VietJet Academy in HCMC.

In 2020, Madame Nguyen Thi Phuong Thao, President and CEO of VietJet Air was named by Business Insider Australia as one of the 100 people transforming business in Asia.

Image: Sovico Chairman, Mr Nguyen Thanh Hung (right) and Avalon Airport chief executive, Mr David Fox, with the signed MoU witnessed by Prime Ministers, HE Mr Nguyen Xuan Phuc and HE Mr Scott Morrison. Hanoi, Viet Nam 2019.

Tourism exports - Australian nationals travelling to Viet Nam - accounted for more than 80% of these exports to Australia, valued at over AU\$1.2 billion. 44 Transport service exports are also significant (13%), though smaller at AU\$206 million. Australia is consistently among Viet Nam's top ten tourist feeder markets and Australian tourists are high spenders during their visits. Viet Nam tourism has an established image in Australia for offering solid value as well as fascinating and rewarding experiences. As Viet Nam develops attractions and tourism infrastructure, there is potential growth in this sector.

Viet Nam's business and tourism hubs are connected to Australia but not well serviced in terms of seat capacity and regular direct routes. Of the 68,092 passengers who made the trip in either direction in 2018, nearly 60% had to transit en route. This opportunity has been recognised by the aviation industry. Both VietJet (see box) and Bamboo Airlines are poised to operate new services between Viet Nam and Australia. Bamboo Airlines has launched new commercial flights connecting Hanoi and HCMC with Sydney and Melbourne.

Trade is expanding new services sectors, such as ICT and digital, distributive trade and business services. Australia's demand for ICT development, digital products and human resources continues to grow in the face of national shortages in the ICT workforce. Exports of ICT and business services have been steady since 2015, but in 2020 grew sustained by digital contact.⁴⁷

Viet Nam is now an established centre for outsourced ICT development for Australian companies with its ready supply of cost-effective English-speaking software engineers and quality ICT infrastructure. Examples of Australian companies outsourcing software development and digital services to Viet Nam include Atlassian and the National Australia Bank (NAB). There has been a marked growth in the number of companies in Australia brokering links to outsourced service providers, facilitating access to numerous Vietnamese SMEs offering ICT services. Vietnamese IT services companies have been steadily expanding their Australian client base and presence (See the following case study box on Savvycom and Smart OSC: supporting Australian digitalisation). FPT Software is another example of a Viet Nam-based

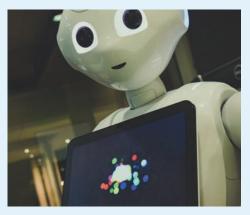
global IT services group, which has been operating in Australia since 2008, servicing client digitalisation in multiple sectors with a focus on financial services, mining, education, energy, and government, with offices in Melbourne, Sydney, and Perth. The company also has partnerships with innovative Australian firms including Melbourne-based WEM APAC to deliver its akaBot robotic process automation (RPA) solution globally and Apromore to commercialise open-source process mining technology from Melbourne University globally. 48

Companies consulted for this report were buoyant about the potential for more trade between the markets in the technology space, with an emphasis on fintech, health tech and edtech.



Snowboarder on slopes of a ski resort in Perisher Valley, New South Wales. Maxwell Ingham. CASE STUDY)

Savvycom and Smart OSC: supporting Australian digitalisation



Australia had long been a market for Australian-educated founder and chief executive of Savvycom, Dang Thi Thanh Van. After graduating in Computer Science from the University of Sydney, she used her time in Australia and business networks to launch the company which provides full-stack solutions to industry. Savvycom is a global firm, focused on offshore markets including Australia, the US, Europe, and Southeast Asia. Since 2009 Savvycom has built its Australian business to be 30% of its international clients for IT services

and support, using strategic digital development partnerships with Australian SMEs such as Thanks Sky, Wanna Train, and JESINTA for influencer Jesinta Franklin. A key element to business success in Australia has been company-wide English proficiency for client communication. The Savvy.com team take product development from concept to design development and support, remotely or by temporarily joining Australian teams.

Smart OSC is a full-service e-commerce agency with 700 employees and offices in seven countries. The founders started the company after returning to Viet Nam from education in Australia and Cuba. Nguyen Chi Hieu returned to Australia to set up offices in Sydney and Melbourne seeing potential in Australia for providing digital analysis and solutions for top-tier Australian brands. Attractions included the nature of the Australian market with strong demand, skills shortages, prohibitive cost of labour and constant growth of digitalisation. They have built a client base of consumer brands, retailers, digital agencies, B2B distributors, and brand manufacturers. Clients include Priceline Pharmacies, Parks Victoria, Baby Bunting, Toshiba Australia, the NSW and QLD Governments, Radio Rentals, Cadbury, and SMEs such as N-essentials and Wall Art Prints. Smart OSC has 700 employees across offices in Viet Nam, Australia, Singapore, the US, and the UK. The development teams in Viet Nam blend expertise with cost advantages. Success factors included the founder's understanding of Australia and cultivating a web of partnerships in the market, with platform providers and agencies. The company's technical and business expertise include key platforms and Smart OSC leveraged relationships with platform providers to build a client base in Australia. Challenges have included bridging the differences between the Australian and Vietnamese business cultures. The company has however built successful blended cross-cultural teams through careful recruitment of locally employed Australian and Vietnamese employees to service its growing client base.

My best friend, Pepper". White robot holding black tablet. Brisbane, Queensland. Owen Beard

Cross Border Value Chains

he complementarity of our bilateral trade supports cross-border value chains in the region. Australian firms source Vietnamese goods and inputs - machinery, appliances, textiles, and furniture – which form part of the value of goods and services consumed in Australia or exported.

Vietnamese exports vital inputs for production in Australia, and a proportion of their value helps to drive the competitiveness of Australian finished goods (and vice versa).

Expanding such value chains can potentially increase associated investments, partnerships, and technology transfers and deliver benefits to both countries. Participation in cross-border value chains allows both economies to prosper from the other's success.

Vietnamese manufacturers use high-quality Australian raw materials and processed metals as inputs in manufactured goods sold in Viet Nam or exported to the world. For example, Australian wheat and barley are used in Vietnamese wheatbased noodles, bread and bakery goods. In 2020, there were more than fifty domestic and foreign companies in Viet Nam producing instant noodles made from Australian wheat, which is valued for noodle texture and colour attributes. While local consumption is high, Vietnamese companies such as Uni-President export instant noodles around the world, including to Australia. 49 Similarly, Viet Nam is a top 10 beer market globally and Australia is the largest supplier of malt and malting barley, for its flavour components.⁵⁰ Australian investment in Viet Nam in milling facilities has helped local brewers secure consistent local supply of milled Australian malt and malting barley.

Australia-Viet Nam Cross-border Value Chains



One area where similar supply chain cooperation could occur is in renewables. Australia is well known for its large deposits of natural resources including coal, uranium, oil and natural gas. But alongside existing cooperation in traditional energy fields such as coal and gas, Viet Nam and Australia could expand cooperation to new areas such as renewable energy and hydrogen. A renewables boom is underway in Australia, with business and investment opportunities for shared value stimulating FDI.51

Viet Nam's growing capacity as a manufacturer and exporter of environmental goods and renewable energy – along with Australia's reserves of critical minerals and policies to support the development of this

sector – creates opportunities for two-way trade, cross-investment and ongoing partnerships in environmental goods and renewable energy.

Viet Nam is a rapidly growing producer and exporter of a range of environmental goods to support renewable energy, including infrastructure for wind energy, parts for solar systems and essential inputs for hydrogen production. Since 2015, Viet Nam's exports of a range of these goods have increased rapidly – sometimes by more than 500%.⁵²

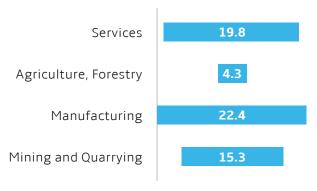
Australia is a key producer of inputs into these products from its large reserves of critical minerals required by the renewable energy industry.

Australia is a top-three producer of lithium, cobalt, manganese ore, rare earths, and zirconium, ⁵³ required by renewable energy applications, particularly electric vehicles. There are multiple investment-ready projects currently seeking capital collated by Australian Trade and Investment Commission (Austrade). ⁵⁴ As more global manufacturers seek to enter into long-term partnership agreements with suppliers of critical minerals, it is becoming important for Vietnamese firms to do likewise, and Australia offers multiple opportunities.

These goods are receiving growing policy attention from economies across the world, including Australia, as they seek to develop new industries and technologies to address climate change mitigation. The Australian government provided significant government financial support to help enable the critical minerals sector. The AU\$2 billion Critical Minerals Facility will provide loans to resources developers to help reach scale and connect to international markets, while the AU\$225 million Exploring for the Future Fund will support the exploration of new resources.⁵⁵

Viet Nam's exports to Australia are more than just cross-border trade and transactions. The substantial value add of Viet Nam's economic activity to the Australian economy and exports supports trade with Australia. Calculating the value that is added at each step of the chain – rather than just the gross value of the final product – allows a nuanced understanding of which sectors and economies contribute to and benefit from trade. Vietnamese manufacturing and services are already significant sources of value add to Australian goods and services across sectors.

Vietnamese services value added in Australia's gross exports, (US\$million by sector, 2015)



OECD TIVA database, 2015

For example, the Vietnamese food and agriculture industry ranks as the eighth-most important source of imported value for Australian final demand (US\$200 million), and the eighth most important source of value in Australian gross exports (US\$27 million).56 OECD data shows Viet Nam's services exports contributed US\$569 million in value-add activity to the Australian economy in 2015.^{57 58} Most of this value is added to Australian services industries (68%). Business sector services⁵⁹ in Australia are the main beneficiaries, principally wholesale/retail, transport, accommodation/food services, then public administration, health, education, social/personal services and construction. Value-added by Viet Nam's manufacturing and agricultural industries increased over the same period.

Viet Nam's value-add to Australian demand and to Australian gross exports encompasses both manufacturing and services. For services, while value is small relative to competitors, 60 it has expanded by more than 64% from 2005-15, reflecting growth of Viet Nam's services export capability. Business sector services drive this value-add contribution to Australia including distributive trade, transport, and accommodation, financial and insurance and ICT services. 61

Overall, services account for 35% of Australia's gross exports, but they account for 49% of its value-added exports, indicating that Australia's exports of goods rely intensively on services inputs. ⁶² The value add of Viet Nam services exports in gross Australian exports (all industries) was US\$61.8 million (2015), concentrated in manufacturing and services sectors.

Investment

here has been a rise in Viet Nam's Outward Foreign Direct Investment (OFDI) globally, including to set up or acquire Australian businesses or assets. Viet Nam's outward investment activity in Australia demonstrates complementarity with both Australia's economy and Viet Nam's export capability and is expanding.

Viet Nam Registered Foreign Investment Capital Flows to Australia 2015-2020 (US\$million)



Viet Nam Ministry of Planning and Investment (MPI)

Statistics from the Ministry of Planning and Investment (MPI) and the General Statistics Office (GSO) show that Viet Nam's registered capital investment in Australia expanded at an average of US\$3.7 million between 2010-2015 and then accelerated to an average of US\$82 million between 2015-2020. Viet Nam's cumulative investment in Australia by 2020 amounted to US\$722 million, representing just under 3% of Viet Nam's total offshore investment.⁶³

Current levels of Viet Nam's investment in Australia are still modest in terms of overall global foreign investment in Australia and the share of Viet Nam's overall OFDI but the number of new investment projects in Australia has increased from three in 2015 to 14 in 2018, 16 in 2019 and 14 in 2020 (as COVID struck).⁶⁴

Currently, Australia ranks tenth overall in the destinations for Vietnamese OFDI. In terms of Vietnamese OFDI to developed economies, Australia ranks second behind the US. 65

Recent Vietnamese Investor Interest in Australia

Company	Project	Year	Value (AU\$m)
Vingroup	Sydney Central Business District site	2016	22.5
An Vien Pastoral	Vermelha Station (NT)	2016	18
Vinfast	Automotive Technology Institute 2 Lang Lang Automotive Test Facility	2017-20	>80
TH Group (CAIT)	Auvergne & Newry Stations (NT) Argyle Downs (WA)	2019	130
Vietcombank	Representative options and investments	2019	71 (capital)
VietJet	Melbourne services (pending regulatory approval)	2019	Undisclosed
Hoa Phat	Roper Valley Iron Ore project	2020	Undisclosed
VitaDairy	Tasmanian Dairy acquisition.	2020	>10
Bamboo Airways	Melbourne-Hanoi services	2021	Undisclosed
KITA Group	Joint project with AWI: Little Mindil Resort Darwin	2021	200 (project value)

Australia has consistently been one of the top 10 global destinations for FDI in the past decade, attracting an average of US\$50 billion each year, or about 3.2 per cent of overall global FDI inflows. FDI comes from a diverse range of economies led by the US and the UK with significant amounts from European economies, China, and Japan. ASEAN FDI

to Australia continues to increase, led by Singapore and Malaysia, attracted by Australia's comparative advantages in skilled labour, resources, and technology. FDI also responds to factors other than underlying competitive advantages, including a raft of government policies.



Melbourne Airport Chief of Aviation, Ms Lorie Argus (middle left) and Bamboo Airways' Deputy General Director, Mr Truong Phuong Thanh (middle right) with airline staff at the announcement in March 2022 for the Melbourne-Hanoi non-stop flight. Tullamarine, Victoria. www.anna.aero.

CASE STUDY)

Vietcombank



\$71 million

In 2019, Vietcombank, one of Viet Nam's top four banks, announced its intention to expand to Australia, securing a two-year approval from Vietnamese authorities to open the Joint Stock Commercial Bank for Foreign Trade of Viet Nam – Australia Branch, in Sydney (NSW) with a reported registered capital of AU\$71 million in 2021.

The bank's plans to establish its first Australian branch followed closely on the decision to open in the US. The bank had already ventured overseas and established representative offices in the Indochina and Southeast Asian region.

Rising Vietnamese investment in Australia by corporations and the Australian-Vietnamese community signalled the emergence of a viable client base in Australia for the bank, with positive indications that these trends would likely strengthen with increased political engagement and improved conditions for further investment under the CPTPP and RCEP.

Exposure to foreign banking standards and improved access to international capital markets is helping Vietcombank become a leading regional bank. In the Australian context, the bank anticipated establishing potential partnerships with suppliers in the market for ICT, regtech, and fintech solutions to ensure efficient and effective set-up, regulatory compliance, and oversight in the Australian operations. Australia's banking sector is globally recognised as stable, reliable, internationally integrated, and competitive, accompanied by a globally recognised regtech sector.

The global pandemic, subsequent contraction in foreign direct investment flows, and cross-border business ties have frustrated the bank's ambitions. In early 2022, the bank suspended its plans to open a branch in Australia. The bank is maintaining a strategic interest in Australia and will continue to explore their options moving forward.

By industry, Viet Nam's investment in Australia is focused on agriculture, forestry, and fisheries, wholesale and retail, manufacturing, resources, and minerals processing, followed by real estate, financial, banking and insurance activities showing a mix of market and efficiency-seeking and strategic resource seeking motives.⁶⁶

Australia has abundant natural mineral resources and a competitive advantage across the mining supply chain. The mining sector consistently dominates FDI flows, receiving around 35-40% of all FDI into Australia in 2018. Recognising mutual benefits from investment flows and rising interest of Vietnamese firms, the Australian and Viet Nam Governments have included resources and energy as priority sectors for attention under the economic engagement strategy.

CASE STUDY

Hoa Phat: diversifying raw materials⁶⁷

AUSTRALIA'S BIGGEST IMPORTER (2020)

16% of total exports to Viet Nam



Hoa Phat Group (HPG) is a leading industrial manufacturing group in Viet Nam operating in iron and steel, steel products, agriculture, real estate and home appliances sectors. As a multidisciplinary and multi-sector industrial production group, HPG has a great demand for materials to produce steel and agricultural products. Australia is a natural partner for HPG due to its rich natural resources and favourable geographic location.

In the last few years, trade between HPG and Australian partners has surged. HPG started importing coal and iron ore from Australia in 2009, exported the first batch of construction steel to Australia in 2015 and imported live Australian beef in 2016. In 2020, HPG's expanding steel production drove imports of machines, equipment, and materials for production to US\$2 billion, around 35% of which was sourced from Australia. HPG alone imported 16% of Australia's total exports to Viet Nam in 2020. HPG has firmly taken its first step into the world's largest iron ore supply market by buying the Roper Valley iron ore mine in Australia in June 2021.

HPG leads the demand for Australian iron ore and coal for its expanding steel production with supply agreements with leading Australian suppliers. The Group is assessing further potential investments in ore and coking coal in Australia to actively exploit at least 10 million tons of iron ore per year and its expected steel capacity in 2025 will reach 14 million tons/year.

According to HPG's management team, the main driving force in investment activities in Australia is the proactive sourcing of materials for long-term production at competitive costs, thereby maintaining stable and continuous production, improving production and business efficiency, and enhancing the value chain of the Group's product ecosystem.



Australia's agricultural relationship with Viet Nam is multi-faceted. Although Australia and Viet Nam are both large agricultural producers and exporters, bilateral agriculture trade is complementary. Australian and Vietnamese two-way farm trade is valued at AU\$2.8 billion with Australian agricultural exports to Viet Nam valued at about AU\$1.5 billion in 2016-17 and growing. Beyond this increasing trade in agricultural products and value chains with mutual benefit lie increasing investment and innovation links.

Australia's dairy industry offers investment opportunities including large-scale pasture-based milk production, specialty cheese manufacturing, and large-scale dairy commodity processing. Vietnamese dairy development in the past decade has fostered ties with Australia. Vinamilk, Viet Nam's largest dairy producer, sources cows from the Australian dairy industry. 68 In 2020, Vitadairy bought its first dairy farm in Tasmania for AU\$10 million, with 1,000 dairy cattle to meet production needs in Viet Nam. 69 Vitadairy is marketing its Colos packaged fresh milk sourced from Tasmania as pure, green, and healthy. 70 Vitadairy produces branded immuno-nutrition and calcium-fortified nutritional brands, partners with the Vietnamese Ministry of Health for the national immunisation program, and

has an agreement with a US biotechnology company to develop a 24-hour fresh colostrum harvesting technology to bring fresh colostrum back to Viet Nam and develop further bovine colostrum-based therapies.⁷¹

Australian strengths in the beef industry underpinned the first large-scale Vietnamese agricultural investment by An Vien Pastoral Holding and Agriculture in Vermelha Station and its extensive beef cattle operations in 2016.⁷² TH Group (see box) followed with the purchase of three cattle stations in 2021. These investments complemented the live beef export trade to Viet Nam, which has driven Vietnamese investments in modern feedlots, abattoirs, and processing plants to bring them in line with Australian standards to service the growing demand for protein.⁷³

Hoa Phat, which has invested in iron ore (see box) is also Viet Nam's leading supplier of Australian beef through Hoa Phat Agricultural Development JSC. Since 2017, Hoa Phat's Australian subsidiary, Hoa Phat Trading Co., Ltd, has imported high-quality and disease-free Australian beef stock for the company's livestock farms in Viet Nam. Hoa Phat works with Australian partners around sourcing, breeding and animal husbandry, including animal feed (sourcing Australian barley feedstock).⁷⁴

CASE STUDY

TH Group: combining agriculture with tourism

ACQUISITION ASSETS

732,900



58,000





In 2019, TH Group, Viet Nam's third-largest dairy producer, established an Australian subsidiary, Clean Agriculture and International Tourism (CAIT) Pty Ltd, and invested AU\$130 million to buy three cattle properties in northern Australia: Argyle and Auvergne stations in the NT and Newry Station in WA. The acquisition included more than 732,900 hectares with 58,000 cattle. TH Group has since invested a further AU\$8.5 million to upgrade pasture, infrastructure, and management systems. This investment is the Group's second offshore project following dairy investments in the Russian Federation. The company's investments and experience in industrial-scale husbandry and cultivation, combined with the local expertise of Australian employees have created a successful new enterprise. CAIT now exports 15,000 head of cattle p.a. to markets in Viet Nam, China, and Indonesia.

TH Group was drawn by Australia's agricultural strengths and assets, value for money, and stability. Australia's relative proximity to Viet Nam was a further advantage. The group plans to optimise operations to support 90,000 cattle and is exploring potential cropping and tourist options. The investment received support from the government including the Viet Nam Embassy, Austrade, and the State Governments. The WA

and NT provided advice and assistance to the TH Group investment reflecting the important role the agricultural sector plays in production, jobs and exports.

Image: Aerial view of green farm fields with irrigation and cultivation along banks of the Hunter River. Hunter Valley region, New South Wales. Zetter.

Australia's appeal to Viet Nam investors is evident in real estate investment, property acquisition and development projects. Colliers International reported over AU\$450 million was invested in Australia by Vietnamese investors in the past two years. Noted examples include Vingroup's acquisition of a Sydney CBD site for a major hotel complex; KITA Group's

joint venture to develop the Little Mindil Resort in Darwin; and the sale of the Sirius building in Sydney for AU\$150 million to a developer with links to Viet Nam. ⁷⁶ There have been media reports of investments by IMG Investment JSC, ADPG Investment Development, Liberty Corporations, Greenland Viet Nam, Saigontel and TNR Holdings.

Innovation

Science, technology, and innovation are key to securing future prosperity in Viet Nam and Australia. Both countries have prioritised the development of national innovation systems and business innovation. In Viet Nam, firms like PetroVietnam (PVN) and Vinamilk are showing that investment in innovation delivers smart production processes and next-generation products.

There are opportunities for other Vietnamese firms to tap into Australia's science, technology, and innovation system.

Collaborations with Australian universities and research organisations for applied research and experimental development have delivered benefits for Vietnamese companies and there is potential for more such arrangements. The following case study presents examples of successful research collaboration between Australian and Vietnamese enterprises.



PARTNERSHIPS FOR INNOVATION: PRAWNS TO MACHINE LEARNING

Improving shrimp production: Viet-Uc is a fully integrated prawn production company operating at 14 sites across Viet Nam, and founded by entrepreneur Van Thanh Luong. It has collaborated with Australia's CSIRO in its commercial aquaculture operations in Bac Lieu since 2010.⁷⁷ In that time they have completed five commercial-scale experiments to develop transformative technologies around hatchery and genetic management, health, production, and breeding systems to improve production, and improve survival rates and yields. CSIRO licenses the Novacq prawn food to Viet-Uc on a fully commercial basis, with knowledge sharing on the breeding program. Viet-Uc has so far paid about AU\$15 million to CSIRO for R&D and royalties. Viet-Uc is now the largest local supplier of baby prawns to Viet Nam farmers, providing about 30% of post-larvae animals.

CSIRO also developed the Shrimp Multipath technology deployed by Genics, a Queensland agribusiness, with Vietnamese shrimp farmers for advanced pathogen detection and data-driven management. The Viet Nam Ministry of Science and Technology noted the technology as a smart agriculture tool to drive commercial through improved productivity and increased product quality.⁷⁸

NSW Government scientists have been recognised for their important role in helping establish an oyster industry in Viet Nam, which is now providing a valuable economic and employment contribution boost to the country. A team of scientists from the NSW Department of Primary Industries (DPI) have been working on a project to support oyster production in Viet Nam and meet seed demand, scientific and commercial interest for the past decade. The expertise provided by NSW has seen Viet Nam's oyster industry overtake Australia by producing approximately 1.5 times Australia's production. Researchers are now focusing their efforts on increasing single seed production, improving oyster quality, increasing oyster health diagnostic capacity, increasing food quality assurance testing, and evaluating new nursery and growout techniques. The Vietnamese Government has acknowledged the success of the program, awarding the Medal for Agriculture and Rural Development later last year to the DPI program leader, Dr Wayne O'Connor, for DPI's work on this program.

Developing the Blue Economy: Australia is investing heavily in research and development within the blue and green economies, including on-shore and off-shore aquaculture and marine management. For example, Australia's Blue Economy Cooperative Research Centre (CRC) has attracted support and industry partners from many countries.⁸⁰

Software engineering collaboration: Dr Nguyen Huu Le, chairman of global software company TMA Solutions and an Australian Colombo Plan scholar, first collaborated with the University of Adelaide on Software Defined Network (SDN) innovations. Experts in the topology of the internet, led by Dr Hung Nguyen, Senior Research Fellow at the University of Adelaide Teletraffic Research Centre, developed new smart algorithms and code. They were tested and validated by TMA Solution software engineers, producing new paths for highly resilient SDN networks. Since 2010 the TMA R&D Centre has continued collaborating with universities in Viet Nam and Australia with projects on big data and analytics, the IoT, AI, blockchain, and machine learning.⁸¹

There is potential for more companies to collaborate with Australian business and research organisations to access Australia's innovation capabilities for application to their commercial challenges and development. Such arrangements can contribute

to technology transfer to Viet Nam and allow collaboration on common problems possibly underpinning the mutual development of new value chains and industries.

CASE STUDY

Vingroup: diversifying in Australia

Since 2016 companies from Viet Nam's largest diversified conglomerate, Vingroup, have sought opportunities in Australia.



Vingroup has sent sponsored VinUni students under the prestigious Vingroup Science and Technology Scholarship Program to gain postgraduate qualifications in bio-medical health and engineering, next-generation wireless systems, agricultural robotics, and IoT at leading Australian universities.

In 2016, Vingroup paid AU\$22.5 m for a prime Sydney CBD site to develop a hotel and luxury shops.

As the inaugural host and multi-year sponsor of the Viet Nam F1 Grand Prix, Vingroup has had major event connections with Melbourne as host of the Australian F1 Grand Prix since 1996.

From 2015, Vinfast, Vingroup's ambitious subsidiary developing Viet Nam's smart car EV for international sale, recruited Australian automotive engineers and managers following the closure of the final automotive assembly operations in Australia. Vinfast later purchased and upgraded the Holden Lang Lang Automotive Testing Ground and opened Automotive Technology Institute 2, Vinfast's R&D centre in Australia.⁸²



COVID disrupted Vinfast's plans to take advantage of talent, expertise and facilities in Victoria, withdrawing operations to Viet Nam.

Vingroup subsidiary Vinsmart, a manufacturer of mobile phones since 2018, was in discussions with suppliers to Australian carriers, following a deal with US AT&T to diversify supply, before announcements to cease phone manufacture in June 2021.83

Australia remains a potential market for Vingroup in future years.

Mobility

ustralia provides a range of visa options for temporary and permanent migration and the number of Vietnamese citizens visiting or moving to Australia has been steadily increasing in recent years. In 2018-2019, Viet Nam was the sixth-largest contributing country for visitors and migrants.

People visiting Australia for business or work, to study, for tourism, or to attend a conference, can apply for a range of visas as detailed on Australia's Department of Home Affairs website. Temporary access and talent mobility can be key factors in building and maintaining business activity between Viet Nam and Australia. In 2018-19, the following visa classes (of variable duration) were accessed by Vietnamese citizens:84

- 9,465 Business Visitor visas
- 1,401 Temporary (Skilled Employment) visas for specialist skills, knowledge or experience in short supply in Australia
- 1,988 International Student visas, (including 559 Postgraduate Research students)
- 63,387 tourist visas
- 343 Work and Holiday visas; and
- 3,495 other temporary visas (excluding Maritime Crew and Transit visas).

Australia's permanent migration program is the main avenue to permanent residence. In 2018-2019, 5,532 Vietnamese permanent migrant places were approved. There were 2,697 partner places, 736 Employer-Sponsored places, 478 business innovation and investment places, 538 State nominated, and 425 Skilled places.⁸⁵

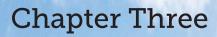
Australia's business and investor visas allow eligible Business Innovation, Entrepreneurs, Investors, and Significant Investors, to own and manage a business, conduct investment or entrepreneurial activities in Australia, and provide a path to permanent residency.⁸⁶ The number of available business and investor places has increased to 13,500 places in 2020-2021 with a focus on key sectors to drive economic recovery after COVID. The Government has also approved a Temporary Activity visa to facilitate talent mobility for key staff needed in Australia to help post-COVID economic recovery.

For example, in 2016, Viet Nam-born Chau Tran and her family were nominated by the Victorian Government for a business migration visa. After settling, they founded a new export company, Pearls Nature Pty Ltd, with Chau partnering with South Gippsland Dairy to export bio-colostrum vitamins from Australia to Viet Nam.87 In Queensland, Thomas Dang and his family of eight have settled in Queensland and built a portfolio of property and agricultural investments in Queensland. Also in Queensland are Thi Giang Pham and her family who established a vegetable farm specialising in growing and wholesale distribution of a variety of fresh produce.88 Thi Bang Tuyen Nguyen, a researcher in heat and mass transfer, phase change and metallurgical transformation in high-temperature systems, is now a Research Associate at the Centre for Ironmaking Materials Research at the University of Newcastle after arriving on a Global Talent Visa for recognised talent.89

In June 2021, the Australian government announced a new visa scheme to allow agricultural workers from ASEAN nations to work in Australia for up to nine months – returning home each year for at least three months. The visa will be rolled out during 2022 in phases following negotiations with regional Governments.⁹⁰

In early 2020, COVID suspended most travel between Viet Nam and Australia which has since resumed.⁹¹





From Perceptions to Potential



his chapter presents the results of consultation with policymakers, companies, business organisations, and academics on issues affecting Vietnamese businesses involved in trade, investment, and innovation activities in Australia, including perceptions of Australia and some of the challenges experienced by Vietnamese companies, key differences between Viet Nam and Australian business culture and dynamics; and helpful support provided by Government agencies, business organisations and others; and the alumni, diaspora, and expatriates that can be used by business to support commercial activities.



The overall perception was that Australia offered valuable trade, investment, and innovation opportunities for Vietnamese companies, and though there were challenges that needed planning and preparation, these opportunities were achievable with significant benefits. The consensus

was that the Australian market was viable for a growing range of Vietnamese goods and services. The companies who contributed to the consultation indicated that they were actively pursuing expanded opportunities in Australia and believed that under the positive bilateral umbrella, opportunities would eventuate. Government agencies who contributed to the consultation likewise were positive about prospects for growth in Vietnamese trade and investment with Australia. Both the Vietnamese and Australian lead agencies emphasised positive trends and indicated a strong commitment to the new Enhanced Economic Engagement Strategy and associated work to facilitate growth and overcome setbacks that had arisen during the global pandemic.

PERCEPTIONS OF AUSTRALIA

 Australia offers a good environment and considerable benefits for firms that are prepared to experience, listen, learn, and adapt.



- Australia is seen as an attractive advanced country with a receptive but demanding, competitive market.
- A growing number of Vietnamese firms are succeeding in Australia, indicating that Australia is not 'too hard'.
- Australian consumers are interested in good competitively priced products from Vietnamese firms willing to develop an understanding of local realities.
- Australia is closer to Viet Nam geographically than other Western markets and of a manageable scale (a little smaller than Malaysia at 32 million people and bigger than Taiwan at 24 million) so it can be a testing ground for export products, services, and brands, providing valuable experience of advanced markets.
- Investment from Viet Nam can expect to be viewed favourably by Australian institutions and governments.
- Australia is a source of innovation for Vietnamese companies.
- It was strongly appreciated that the two countries have a strong, positive, and growing relationship.

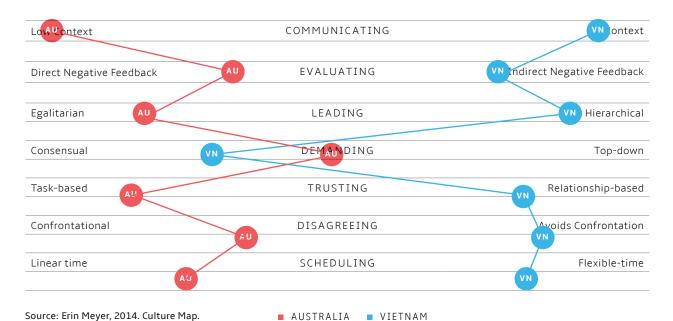
Business is business: Australian business dynamics and cultural differences

nternationalising firms must come to terms with different business dynamics and learn how to build effective cross-cultural business relationships in every new market. Our earlier report noted that in many ways, companies must transform into 'global businesses' to bridge the cultural differences between Australia and Viet Nam.

The consultation highlighted key differences in Australian business conduct and communication, and the language barrier. It was generally felt that although it took time to grow deep understanding, mutually beneficial relationships were achievable with patience and adjustment.

The map below shows key cultural differences between Viet Nam and Australia that can affect business dealings.

Cultural Mapping of Viet Nam and Australia





REALITIES OF DOING BUSINESS IN AUSTRALIA

- There are realisable opportunities for firms able to commit time and resources. Companies may risk missing opportunities if they 'play it safe'.
- All new markets have challenges and require planning, time, and resources to develop understanding. Australia is the same but information and help are readily accessible to help companies get over the initial learning curve.



- The English language dominates business discussions. However, Vietnamese is the fifth most spoken language in Australia and translators are readily available if needed.
- Australians seem more casual than Vietnamese but are very professional with strong industry understanding. They are outward-looking and curious about potential business opportunities.
- Australians are positive about Viet Nam but can lack direct experience of working with Vietnamese businesses. Differences in business practices are overcome through awareness, perseverance, and adjustment on both sides.
- Firms should prepare early if they require business visas. It is worth getting advice and assistance.
- It is helpful to get advice on Australian laws and regulations on tax, employment, throughout the process from an independent professional source.
- There is a strong Vietnamese demographic, economic and cultural presence in Australia which can be a useful resource for business.

It is important to spend time in Australia and with Australians to understand the market characteristics, differences in the business environment, assess opportunities, build relationships, and undertake due diligence. In the wake of COVID, as normality returns, frequent and convenient flights will resume between Hanoi, HCMC, and major Australian cities for familiarisation visits and exploratory meetings, and the time gap have sufficient overlap to allow real-time communication and virtual meetings.

Vietnamese companies can build a team to support engagement with Australia through new hires with experience or by cross-cultural training for existing staff.

Australia's business culture is largely a western English-speaking business culture. Familiarity with Viet Nam and Vietnamese business culture business can be limited but firms will find the environment is generally welcoming and culturally tolerant. Australian business is pragmatic and open to practical approaches such as using translators to overcome language barriers. It can be useful to use a translator or an employee proficient in English to communicate effectively with government regulatory agencies. Political engagement is not

generally needed to do business with Australia – the business environment is thoroughly regulated, with transparent and stipulated processes for companies.

One notable difference is the role of social relationships in the business context. In Australia, companies are judged by their reputation and commercial achievements and professional relationships are built on objective business elements and underpinned by legal agreements. Trusted personal relationships develop over time. However, Australians are generally informal from the outset. In general, communication is direct and open in Australia and the deference and respect that is normally shown in Viet Nam is not as common in Australia. First names rather than titles are normally used after introductions and regardless of rank, the emphasis is on showing mutual respect. This can also affect the differences in work practices. In Australia, employees expect to have their work conditions and rights respected in exchange for meeting their responsibilities. The work environment may be less flexible than in Viet Nam. As one Vietnamese participant explained, "In Viet Nam, the word "YES" doesn't always mean yes, and "NO" doesn't always mean no. In Australia, the word "YES" means yes, and "NO" means no."



- Take a long-term and strategic view rather than focusing on immediate gains.
- You will need to make company changes to succeed in Australia and stay flexible to accommodate for differences.
- New entrants can access information and support from Vietnamese and Australian government agencies to understand the requirements and support from trade associations, industry bodies and chambers of commerce to help prepare for the Australian market. (See the Annex of Useful Resources for Companies).
- It can be good to onboard or acquire talent, advice, experience, and skills through a mix of local and Australian-based personnel, but it takes time to find the right people.
- Follow the rules: It can be challenging to comply with requirements, but it is necessary to meet legal requirements for employers around salaries, tax, insurance, and superannuation which can seem high to Vietnamese firms.
- Prepare adequately and build links with peers in Australia to plan your approach to access the Australian market, validate your planned route-to-market, support commercial engagement, and build your in-country presence.
- Companies sending goods to Australia can take advantage of connections with the sizeable Australian Vietnamese community, and the overseas Vietnamese living and working here, including Vietnamese students studying in Australia.

Sources of Support: Australia and Viet Nam

oing business offshore involves myriad challenges: finding commercial opportunities in unfamiliar markets, assessing possibilities, constraints, and risks, and building resilient business models.

New entrants to the Australian market can use support from the government, business organisations, and the private sector. Firms finding it confusing and time-consuming to find the right sources of support may find the Resource Compendium appendix to this report helpful as a reference on trade and investment facilitation services, information, and assistance from a range of organisations in Viet Nam and Australia.

Vietnamese Government agencies can help exporters and investors with information and requirements in Viet Nam and for Australia.

Vietnamese business has certain competitive advantages under the FTAs between Australia and Viet Nam. Companies can check their advantages and tap into market updates, import duties, rules of origin, etc through a new portal (fta.moit.gov. vn). The portal has been developed to help the domestic business community make the most of the opportunities under FTAs, including the AANZFTA, CPTPP, and RCEP.

The Viet Nam Embassy and the Viet Nam Trade Office in Australia work to promote and support Vietnamese firms. Information on their trade facilitation services, tools and events can be found on their respective websites. Industry promotion - seminars, business conferences, forums, press conferences, delegations and missions – by the Viet Nam Trade Office in Australia is strengthening the participation of Australian business associations, promoting Australian businesses and overseas Vietnamese enterprises to become distributors of Vietnamese products in Australia. The Office also actively supports Vietnamese businesses to access and have a better understanding of the legal systems and regulations of the governments of the two countries on intellectual property, copyright as well as investment procedures between two countries.



This year, the Trade Office launched new digital tools to support business between Australia and Viet Nam. The Viet-Aus Trade app provides a digital directory of Australian companies and

information for exporters on requirements and conditions. A second app, the DigiViet-Aus, aims to boost software outsourcing to Viet Nam by linking suppliers and potential customers.⁹²

The Office supports companies to participate in trade shows and exhibitions. This year, companies have participated in exhibitions of construction goods, furniture, homewares, and IT outsourcing. The office also hosts (currently virtual) inbound business and official missions. It has also built campaigns to help Viet Nam's export goods, especially from smaller producers, secure a foothold in the Australian market.

The Australian Government can also assist. Australia is aware that as Viet Nam continues to develop, more Vietnamese companies will become active overseas investors with greater agency over the destination they chose and Australia will have to compete to attract this investment. In Viet Nam, at the Australian Embassy and Consulate, Austrade staff can help potential investors and firms to build ties with Australian companies and research organisations. Austrade provides a full service to support potential investors and appropriate introductions. Firms can access information from Austrade on sectoral opportunities. They can also approach State Government representatives from Victoria, Queensland and NSW in Viet Nam, and the other States and Territories in Australia.

Companies can access information on trading requirements and processes via Australian Departmental websites. For example, Australia's

biosecurity and import conditions for more than 20,000 plants, animals, minerals and biological products can be accessed through the BICON tool hosted by the Department of Agriculture, Water and the Environment.

Australia's business regulation is transparent but comprehensive and can be challenging for new entrants. Many companies contract private sector advisors to help them understand and comply with these requirements.

Professional customs agents, importers and distributors can help aspiring exporters to act on

opportunities under existing FTAs, secure a channel to market, and develop a strong customer base. They help companies get their goods into the Australian markets faster, under the best conditions, with greater ease and at optimum cost.

Australia has in place arrangements designed to help ease the costs/impacts of border formalities that Vietnamese business can take advantage of to facilitate exports. For example, Australia is party to the WTO's Trade Facilitation Agreement (TFA), and as such commits to a process of continuous improvement of import and export formalities. Australia also supports regional trade facilitation



efforts, contributing around AU\$160 million per year to facilitation programs in the Asia-Pacific region. 93 One key commitment stemming from the TFA is the establishment of a single window designed to centralise and facilitate customs documentation. Australia's single window – the Integrated Cargo System (ICS)94 – was launched in 2018 and provides a central point for almost all import transactions. Regular importers (and exporters from Australia) can apply to be accredited under the Australian Trusted Trader (ATT) scheme.95 ATT-accredited parties are subject to reduced inspection and documentation requirements.

Top-tier legal and consulting firms can guide companies through processes for investment projects, acquisitions, or mergers, and advise on tax, employment, and property investments. An example of matters often covered by such providers can be found in the Minter Ellison Doing Business in Australia Guide which provides an overview of Australia's business rules, foreign investment guidelines, taxation, consumer protection, intellectual property and the employment law system.⁹⁶

The consultation identified the many bilaterally active business groups that can be invaluable to new entrants.

In Viet Nam, VCCI and AusCham Viet Nam⁹⁷ are the peak business bodies focused on bilateral business ties. They are useful for companies wishing to develop contacts and networks to support their activities. Active members can be prime sources of market intelligence, referrals, and advice. The two organisations recently created the Viet Nam-Australia Business Council (VABC) based in Viet Nam to draw together interested companies and organisations to encourage exports to Australia and investment into Viet Nam. This new peak Council will act as a coordination point in Viet Nam, for engagement with government, with industry bodies, companies, universities, and relevant non-industry organisations involved with overseas Vietnamese or alumni groups. A growing number of Vietnamese industry associations are seeking to support their member enterprises to access potential markets, including Australia.

In Australia, there are a growing number of business organisations that draw together Vietnamese and Australian businesses, act as trade and investment intermediaries, and can help new entrants to the Australian market expand, accelerate their growth and build meaningful relationships. Leading groups include the Australia Viet Nam Business Council (AVBC) which has been operating since the mid-1980s to promote and support the development of bilateral trade and investment between Australia and Viet Nam. The Vietnamese Business Association in Australia is another increasingly active organisation with strong cross-border ties. In 2022, the VBAA has opened a new centre (in Melbourne) for Viet Nam-Australia activities including trade fairs, commercial introductions, business matching events and promotion of new Vietnamese goods.

These organisations coordinate communities of similarly focused business owners which can be excellent sources of in-depth market advice, data and news. Companies can join to access networking opportunities through scheduled business seminars, networking, and social functions. They can provide an indispensable trade and investment bridge between businesses of the two countries, and links into the Australian-Vietnamese and overseas Vietnamese communities in Australia discussed below. There are valuable links between these visible business organisations and other relevant groups such as the Vietnamese Students' Association in Australia, the Australia-Viet Nam Leaders Dialogue (AVLD) and the Viet Nam Graduate from Australia Club.

Leveraging People to People links and the Diaspora

he strong people-to-people linkages that exist between Australia and Viet Nam are a critical element in the positive bilateral relationship. The previous report in this series detailed the growing role of Australian citizens in Viet Nam in business, as investors, in the cooperation sphere, or as tourists. Australia is home to a significant diaspora of Vietnamese, dating back to the mid-seventies. Many second-generation Australian-Vietnamese are interested and involved in Viet Nam, providing a positive bridge

between the two countries. Added to this are more recently arrived migrants. The Vietnamese-born population is the sixth-largest migrant community in Australia, and Viet Nam was the fifth-largest source of permanent migrants to Australia in 2019-20. The statistics on permanent and temporary migration by Vietnamese to Australia by visa class, examined in an earlier later section of this report. These links help to develop genuine cross-cultural awareness and understanding which can be harnessed to support or drive innovative business development.



CASE STUDY

New connections in business



EzyRemit Pty Ltd is a financial technology company based in Sydney founded by Quoc Ngo and Allan Nguyen in November 2020 to make transfer of monies easier. In 2015, Quoc Ngo, a software engineer with 20 years of experience, encountered several difficulties transferring money from Viet Nam to Australia to buy his first house. He partnered with financial advisor Allan Nguyen to develop a platform

to make money transfer cheaper, faster, and easier, with transactions over AU\$1 million in the first month. EzyRemit is a member of FinTech Australia, with staff across Australia and an office in HCMC. In 2021, EzyRemit launched a campaign for fee-free remits to Viet Nam to minimize costs of international payments from Australia to Viet Nam by overseas Vietnamese sending money to their families in Viet Nam.⁹⁹ This is the first Viet Nam focused fintech start-up developed in Australia, which is ranked sixth in the world in fintech start-ups and second in the Asia Pacific in global fintech rankings.¹⁰⁰

The Start-up Viet Nam Foundation Australia (SVFA) is another example of cooperation in this sector. In May 2021, SVFA was launched to develop and support a start-up and innovation ecosystem for Vietnamese students and entrepreneurs in Australia. ¹⁰¹ Meanwhile, in HCMC, three students from the Faculty of Business and Management at RMIT University Viet Nam, Lac Tu Chau, Ha Tuan Nghiep and Le Khac Yen Nhi, have developed AgriBiz, an electronic portal and database of Vietnamese agricultural products for international buyers. The app will overcome difficulties that both buyers and suppliers face in finding agricultural products that meet domestic and international standards. ¹⁰²

Vietnamese business can use the language skills, cultural knowledge, and networks of individuals who understand both the Vietnamese and Australian contexts to support their efforts in Australia. These

include Vietnamese migrants in Australia, Australia's Vietnamese university alumni, and expatriates (Australian or Vietnamese) with experience of both markets.

CULTURAL UNDERSTANDING DEEP MARKET EXPERTISE CROSS-CHITHRAL INSIGHT Vietnamese students and graduates REFERRALS AND INTRODUCTIONS Vietnamese organisations focused on the agencies in Viet REPOSITORY OF TALENT government diaspora in . Australia POWEREIII IN-COLINTRY NETWORK FIRSTHAND. LIVED EXPERIENCE

Finding Advice: the Australia-Viet Nam eco-system

Source: RMIT research team

People-to-people links between the countries are growing strongly based on education and the large Vietnamese diaspora community in Australia. Australia's longstanding development assistance to Viet Nam includes projects involving the private sector including collaborations with Australian research organisations.

The Viet Nam Government emphasises the value of overseas Vietnamese residents and the role they can play in assisting international engagement, maintaining a portal to connect with the community within the Foreign Ministry's State Committee for Overseas Vietnamese Affairs. 103 Vietnamese

intellectuals abroad can help to increases Viet Nam's access to science, technology, and creativity. In Australia, the Vietnamese Embassy and the Representative Office of Science and Technology periodically meet with scientists with Vietnamese heritage or ties working in Australia to expand understanding of Australian capabilities, alignment with Viet Nam's priorities, and strengthen peopleto-people links.¹⁰⁴ There are many scientists of Vietnamese heritage in Australia, some already working on bilaterally focused projects.¹⁰⁵

The Vietnamese community in Australia – built through waves of migration and settlement – is

increasingly active in building personal, cultural, and economic ties. Migrants who moved for family, economic or educational purposes, their Australian-Vietnamese offspring, and more recent Vietnamese professionals, often anchor business activities in both economies. This is a sizeable group of qualified contacts, employees, partners, or advisors, uniquely placed to bridge differences and build rapport, networks, and effective relationships.

Australia's Vietnamese Alumni (Vietnamese students and graduates of Australian universities) understand how to operate in both economies during their studies, work placements, and employment after graduation.

Strong links are growing between emerging Australian-Vietnamese leaders through initiatives such as the New Colombo Plan (NCP), the Australia funded ASEAN-Australia Strategic Youth Partnership (AASYP), the Australia-Viet Nam Leaders Dialogue (AVLD) and the Asia Society's Gen A learning and leadership development program for early-career professionals (under 35).

The Australia-Viet Nam Young Leaders Dialogue (AVLD) brings together young leaders of Australian and Vietnamese heritage to build bonds with support from both the Australian and the Vietnamese government. In 2021, their theme was Building Momentum towards Australia and Viet Nam in 2030: aspirations and challenges. The 2022 theme is 'Viet Nam Surges,' a series of videos and webinars providing practical insights into two-way trade and investment from local leaders and experts in Viet Nam.

Australia is proud of its position as a leading destination for Vietnamese students living, studying and working at Australian universities and colleges. More than 24,000 Vietnamese students enrolled at Australian educational institutions in 2020. The Department of Foreign Affairs and Trade estimates there are more than 50,000 Australian alumni in Viet Nam. 106

The students from Viet Nam who study in Australia are not just young people gaining an overseas education in Australia. They gain real-world exposure to Australian culture and experience in the business environment through internships and employment. They have insights, skills and experience of Australia, and valuable people-to-people links. Many of them are members of visible Alumni groups, in Viet Nam and Australia, with connections to industry. For example, one of the largest and most established alumni networks in Viet Nam, the Viet Nam's Graduates from Australia Club, has 6,000 members and chapters across the country, along with partnerships with AusCham Viet Nam, Austrade and Australian educational institutions to promote professional and business networking opportunities for alumni.

Businesses have the option to draw on the expertise and goodwill of individuals in the Australian Vietnamese, Australian educated Vietnamese graduates (Australia's Vietnamese alumni) and overseas Vietnamese residents in Australia. This is an extensive network of 'soft' assets that can be leveraged to help companies to build their knowledge, understanding and capabilities.

Conclusion

n the eve of 50 years of diplomatic relations, Australia and Viet Nam have a deep friendship and growing familiarity despite differences and complexities, and are poised to celebrate a positive, multifaceted working bilateral relationship.

2023 will be a celebration of many achievements and reiteration of the mutual commitment to realising the full potential of the relationship as the world edges towards life after the global pandemic, with greater certainty and mobility. Next year, more enterprises in our respective business communities are expected to be able to resume cross-border engagement.

A noted achievement has been the steady expansion of Viet Nam's trade and investment relationship with Australia. It has grown substantially, has been relatively resilient during the pandemic, and has significant potential. It is highly complementary, dynamic, and growing, under the umbrella of a positive bilateral relationship and supported by FTAs.

The bilateral framework continues to evolve, and under the new Enhanced Economic Engagement Strategy and the associated Implementation Plan, will benefit from a four-year strategic effort to address challenges and issues across a range of sectors relevant to trade, investment, innovation/technology collaboration, mobility, and people-to-people links.

Doing business offshore is always challenging but the rewards can be substantial. Australia offers a unique blend of trade, investment, and innovation opportunities to Vietnamese companies confident and willing to engage, adapt to local market conditions, cultural realities and leverage the unique eco-system.

Annex 1 -Data and Policy Analysis

Summary

Viet Nam's trade and investment relationship with Australia has significant potential – it is highly complementary, dynamic and growing. Uncertainty in the global trade environment, and the need for post-pandemic trade recovery present a significant opportunity for Viet Nam to build, diversify and strengthen its economic partnership with Australia.

There are opportunities to diversify import sources and export markets, increase investment and economic engagement, strengthen supply chain resilience, and grow new areas of trade for the benefit of both economies.

Opportunities are evident across resources, agriculture, manufacturing and services, including in renewable energy, seafood, electronic manufactures, footwear, furniture, processed food, distributive trade, digital services, tourism and education.

Maximising trade and investment complementarity.

The trade relationship between Viet Nam and Australia is highly complementary across goods, services and investment. This complementarity provides a strong foundation upon which Viet Nam and Australia can expand trade and investment. There are opportunities to grow cross border value chains, build services capability and deepen mutually beneficial trade and investment links.

Benefiting from open policy settings. Similar to Viet Nam, Australia is an outward-looking economy with relatively open policy settings – it has low tariffs, is services driven and is reliant on foreign investment. Together these settings create a stable and open platform on which to expand trade and investment with Viet Nam. Some non-tariff measures- both at and beyond the border – as well as increasingly stringent policies for screening of foreign investments impact on trade.

Leveraging shared FTA networks. Australia and Viet Nam share participation in extensive FTA networks across the region. Both have numerous agreements, including with each other. Participation across these FTAs affords benefits to Viet Nam's exporters and investors, reducing barriers to exports, bringing greater certainty to the investment environment, improving business mobility and supporting open regulatory frameworks for services and digital trade.

Expanding dynamic, growing trade and investment.

Viet Nam's trade relationship with Australia - while still small relative to other major trading partners - has developed significantly over the last decade. Viet Nam's exports and investment is growing, in some cases at a faster rate than that with the rest of the world. There are opportunities to further expand this in new and emerging growth sectors, particularly in services and investment.

Driving diversification. Viet Nam is well placed to build on its complementary and growing trade relationship with Australia as both economies seek to diversify trade and investment with the region in response to developments in the economic and policy environment. Further building the partnership can contribute to greater diversification of trade and investment in both economies, support more resilient supply chains and facilitate trade recovery.

Adding value, realising mutual benefits. Viet Nam adds value to Australian goods, services and exports. Recognising and expanding these value-chain linkages – across both existing and new areas – will allow Viet Nam to take advantage of growth opportunities and permit both countries to maximise the benefits that flow from greater two-way economic activity. Benefits can be enhanced through investment partnerships, business to business links, and closer economic cooperation.

i. Maximising trade and investment complementarity

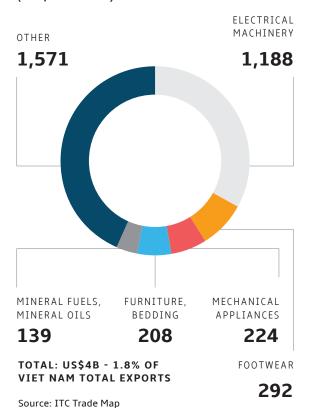
The trade relationship between Viet Nam and Australia is highly complementary. Viet Nam has established enviable manufacturing and exporting capacities in technology goods, apparel and footwear, while Australia is a globally competitive producer and exporter of commodities and agricultural products. Services trade between Australia and Viet Nam reflects comparative advantages in travel, transport and education. Investment activity demonstrates complementarity with export capability.

This complementarity provides a strong foundation upon which Viet Nam and Australia can expand trade and investment. There are opportunities to grow cross border value chains, build services capability and deepen mutually beneficial trade and investment links.

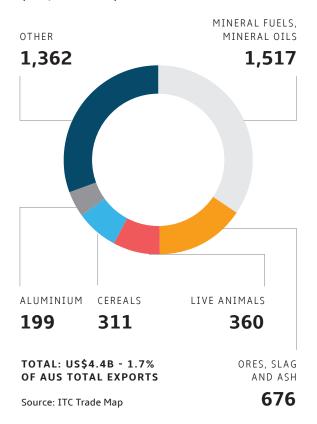
Trade and value chains

Trade in goods is highly complementary and supports cross border value chains. Two-way goods trade between Viet Nam and Australia was valued at just over US\$8 billion in 2020 (see pie charts below) Viet Nam's key exports to Australia are manufactured products, mainly electrical products and apparel. In contrast, Australia exports mainly minerals and agricultural products to Viet Nam. The charts below show the top five export categories for each economy.

Viet Nam's Exports to Australia - 2020 (US\$ Millions)

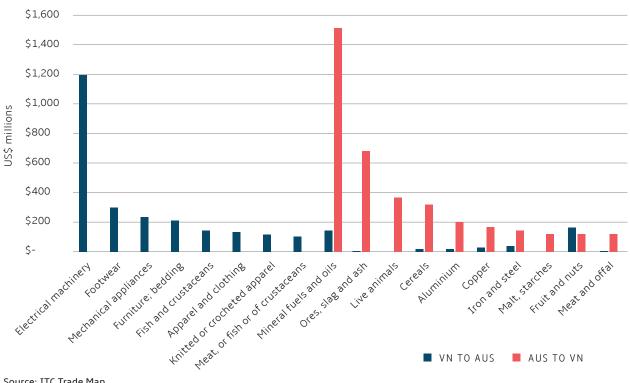


Australia's Exports to Viet Nam - 2020 (US\$ Millions)



As the chart below demonstrates, there is a high degree of complementarity among the principal goods that Viet Nam and Australia export to each other. Australia imported US\$1.2 billion worth of electrical machinery – including over half a billion dollars' worth of smart phones - from Viet Nam in 2020, as well as other appliances, footwear, and apparel. In the other direction, Australia's main exports to Viet Nam were mineral fuels (mainly coal) and processed metals, as well as agricultural goods and iron ore.

Snapshot of Viet Nam - Australia Two-Ways Goods Trade (2020)



Source: ITC Trade Map

This complementarity not only underpins bilateral trade, but also supports cross border value chains that operate across the region. Vietnamese manufacturers make use of high-quality Australian raw materials and processed metals for use as inputs in manufactured goods that are sold in Viet Nam and exported to the world. Australian firms throughout the economy source Vietnamese finished goods and inputs including machinery and appliances, textiles

and furniture, which then form part of the value of goods and services that are consumed in Australia or exported abroad. In this way, not only are Vietnamese exports vital inputs for economic activity in Australia, but also a proportion of their value helps to drive the competitiveness of Australia's finished goods (and vice versa). Participation in cross-border value chains allows both economies to prosper from the other's success.

Example: Value Chain Linkages between Viet Nam and Australia



BOX: ENVIRONMENTAL GOODS & RENEWABLE ENERGY – GROWING OPPORTUNITIES FOR SHARED VALUE

Viet Nam's growing capacity as a manufacturer and exporter of environmental goods and renewable energy – along with Australia's vast reserves of critical minerals and recent policies to support development of this sector – creates growing opportunities for two-way trade, cross-investment and ongoing partnerships.

Viet Nam's growing exports of environmental goods. Viet Nam is a rapidly growing producer and exporter of a range of environmental goods to support renewable energy, including infrastructure for wind energy, parts for solar systems and essential inputs for hydrogen production. Since 2015, Viet Nam's exports of a range of these goods have increased rapidly – in some cases by over 500 per cent.¹

Australia and environmental goods. Australia is a key producer of many inputs into these products, possessing vast reserves of many critical minerals required by the renewable energy industry. Australia is a top-three producer of lithium, cobalt, manganese ore, rare earths and zirconium,² all of which are required by renewable energy applications, particularly electric vehicles. There are multiple investment-ready projects that are currently seeking capital, many of which have been collected into an investment prospectus circulated by Austrade.³ As more and more global manufacturers seek to enter into long-term partnership agreements with suppliers of critical minerals, it is becoming increasingly important for Vietnamese firms to do likewise, and Australia offers multiple opportunities.

Increasing policy importance. These goods are receiving growing policy attention from economies across the world, including Australia, as they seek to develop new industries and technologies to address climate change mitigation. The Australian government has turned significant policy attention towards helping enable the critical minerals sector. The AU\$2 billion Critical Minerals Facility will provide loans to resources developers to help reach scale and connect to international markets, while the AU\$225 million Exploring for the Future Fund will support exploration for new resources.⁴

 $Sources: UN\ Comtrade,\ Geosciences\ Australia,\ Austrade,\ Office\ of\ the\ Prime\ Minister\ of\ Australia.$

Services capability

Services trade reflects comparative advantages in services capability. Viet Nam's exports to Australia are dominated by travel and transport. This reflects Viet Nam's competitive advantage in these services and is consistent with the composition of Viet Nam's

services exports to the world.⁵ Similarly, education exports dominate Australia's services exports to Viet Nam, consistent with the broader pattern of Australian total services exports and Australia's comparative advantage as an education destination in the region.⁶ This illustrates the potential mutual benefits of expanding trade in areas of competitive strength.

¹ Source: UN Comtrade

² Source: Geoscience Australia, 2019, Australia's Identified Mineral Resources (https://www.ga.gov.au/scientific-topics/minerals/mineral-resources-and-advice/aimr)

³ See https://www.austrade.gov.au/ArticleDocuments/5572/Australian_ Critical_Minerals_Prospectus.pdf.aspx

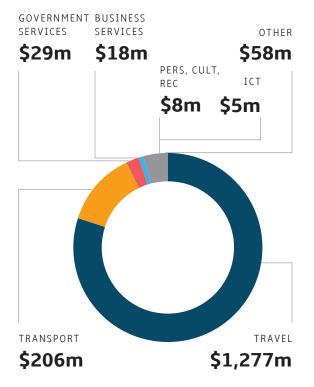
⁴ See https://www.pm.gov.au/media/backing-australias-critical-minerals-sector

⁵ Travel services is the biggest foreign exchange earner for Viet Nam, contributing 58% of Vietnamese services exports. 2019, Viet Nam Statistics Office: https://www.gso.gov.vn/en/px-web/?pxid=E0820&theme=Trade%2C%20Price%20and%20Tourist

⁶ ABS Cat 5368.0.55.004 - International Trade: Supplementary Information, Calendar Year, 2019. Education exports to Viet Nam were AUD1.46b in 2018/19, comprising 80 percent of bilateral services exports. 'Exports' are principally from education related travel – Vietnamese students studying in Australia.

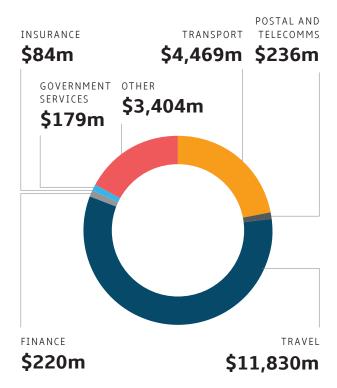
Viet Nam's total cross border services exports to Australia were AU\$1.5 billion (approx. US\$1.1 billion) in 2019.⁷ Travel exports - Australian nationals travelling to Viet Nam ⁸ - accounted for over 80% of these exports to Australia, valued at over AU\$1.2 billion. Transport exports are also significant (13%), though much smaller at AU\$206 million.

Viet Nam's Services Exports to Australia – Value/Share (AU\$) (ABS AU Imports)



Source: ABS, Australian imports

Viet Nam's Services Exports to World by Category/Share 2019 (AU\$)



Source: https://www.gso.gov.vn/en/px-web/?pxid=E0820&theme=Trade%2C%20Price%20and%20Tourist

Government services; other business services; personal cultural and recreational services and ICT are the other main categories; ⁹ though their share in Viet Nam's services exports to Australia is less significant. This reflects both Viet Nam's relative export competitiveness in tourism and travel as well as developing capability in other services areas.

Investment linkages

Viet Nam's outward investment activity in Australia demonstrates complementarity with both Australia's economy and Viet Nam's export capability. This investment not only supports development of Viet Nam's economy and export manufacturing industries, but also key areas of export and economic activity in Australia.

⁷ Australian imports. ABS Cat 5368.0.55.004 - International Trade: Supplementary Information, Calendar Year, 2020

⁸ Personal travel was valued at AU\$1.228 billion in 2019 (or 96%), business travel AU\$49 million (3.8%) and travel for educational purposes AU\$16 million. 5368.0.55.004 - International Trade: Supplementary Information, Calendar Year, 2020.

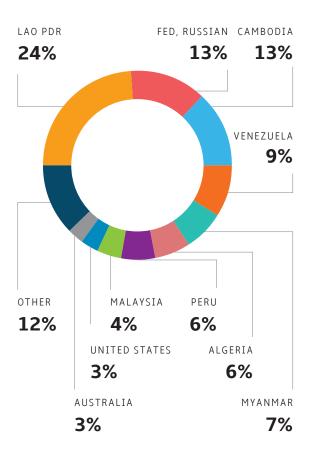
⁹ See DFAT, Trade in Services Australia 2018-2019 for definitions and coverage of services activities.

Viet Nam's investment in Australia amounted to US\$722 million as of September 2020 ¹⁰, comprising less than 3% of Viet Nam's total offshore investment. ¹¹ Australia was the tenth largest destination by value, just behind the United States, out of 78 investment destinations.

By industry, Viet Nam's investment in Australia is mainly focused on agriculture, forestry and fisheries; wholesale and retail, and manufacturing and processing. This is followed by real estate business and financial, banking and insurance activities. ¹² See the chart below.

Destination of Viet Nam Direct Investment Overseas

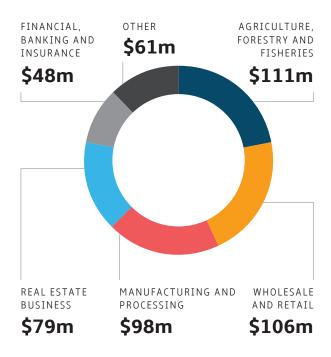
(Accumulation of registered capital of licensed projects as of 31/12/20)



Source: https://www.gso.gov.vn/en/px-web/?pxid=E0420&theme=Investment

Investment in Australia by Economic Activity

(Total accumulated registered Vietnamese capital from 2003 to September 2021) (AU\$)



Source: Vietnam Ministry of Planning and Investment.

ii. Benefitting from open policy settings

Like Viet Nam, Australia is an outward-looking economy with relatively open policy settings on goods, services and investment. Tariffs are low. Services sectors are more open than most other OECD economies. Like Viet Nam, Australia is reliant on FDI for economic growth and generally has in place policies to encourage foreign investment, including with each other. Together these settings create a stable and open platform on which to expand trade and investment.

¹⁰ Accumulated registered outward investment capital. Viet Nam Ministry of Planning and Investment. https://www.gso.gov.vn/en/px-web/?pxid=F0420&theme=Investment

¹¹ Total accumulated outward investment capital up to September 20, 2021, was US\$21,821 million. Viet Nam Ministry of Planning and Investment.

¹² Viet Nam Ministry of Planning and Investment.

However, there are policy measures that can impact on Viet Nam's trade with Australia. These tend to be in the form of non-tariff measures - both at and beyond the border – as well as increasingly stringent policies for screening of foreign investments.

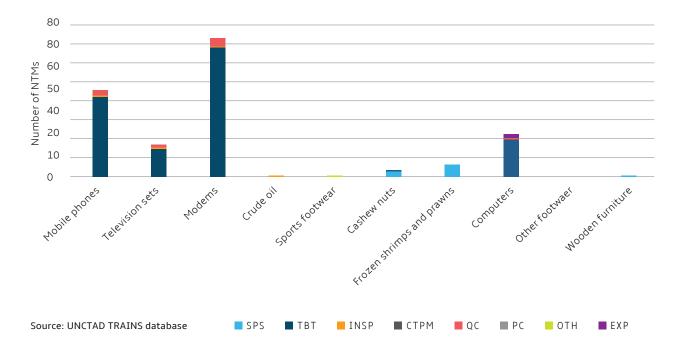
Tariff and regulatory regimes

Australia maintains few, and generally low, tariffs on imports of goods. Tariffs on Viet Nam's top ten goods categories exported to Australia are set at 5% or less. ¹³ Australian policy settings of relevance for

Vietnamese exporters mostly relate to inspection and quarantine rules and other measures in place at the border to meet health, safety and environmental objectives.

For example, Viet Nam's leading exports to Australia must comply with a range of non-tariff measures (NTMs) including technical requirements, such as labelling and product registration, as well as quarantine restrictions, quality controls, and customs declarations. See table below.

Viet Nam's Top 10 Exports to Australia - Number and Type of NTM's 14



¹³ WTO Tariff Download Facility. HS chapters included are: 84, 94, 85, 64, 61, 62, 03, 08, 27, and 16.

¹⁴ Sanitary and Phytosanitary [SPS], Technical Barriers to Trade [TBT], Pre-shipment inspection [INSP], Contingent trade protective measures [CTPM], Quantity control measures [QC], Price control measures [PC], Other measures [OTH], Export-related measures [EXP]. See https://trains.unctad.org/Forms/TableViewDetails.aspx?mode=modify

Examples of NTMs impacting on Viet Nam's exports to Australia are illustrated below.

Examples of Australian NTM's Affecting a Selection of Key Vietnamese Exports

Good (HS code)	NTMs		
Mobile phones (HS 851712)	 Supplier must have been issued a supplier code number by the Australian Communications and Media Authority (ACMA) Cabling must have printed at least every 2m the brand name and part number Supplier must make a declaration of conformity with applicable standards 		
Frozen shrimp and prawns (HS 030617)	 All importation of uncooked prawns and prawn meat is suspended All imported prawn meat must be fully cooked prior to export in a facility that has been approved by an authority that appears on Australia's List of Overseas Authorities—Aquatic Animals for Import 		
Wooden furniture (HS 940360)	 Goods must be free from pest and disease All cargoes that include wooden items- such as must comply with the due diligence requirements of the Australian Illegal Logging Prohibition Act.¹⁵ 		
Cashew nuts (HS 080132)	Prohibitions on genetically modified productsChemical residue limits apply		

Source: UNCTAD TRAINS

Some agricultural goods are subject to quarantine entry requirements. All consignments valued at over AU\$1,000 must be accompanied by the Full Import Declaration (FID), for approval by Australian Border Force and the Department of Agriculture, Water and Energy. Prospective exporters of food and

agricultural products to the Australian market are advised to review the requirements that apply to their products. The Department of Agriculture, Water and Energy maintains comprehensive web resources to guide compliance.¹⁸

BOX: TRADE FACILITATION: SINGLE WINDOW AND AUSTRALIAN TRUSTED TRADER

Australia has in place arrangements designed to help ease the costs/impacts of border formalities that Vietnamese business can take advantage of to facilitate exports. For example, Australia is party to the WTO's Trade Facilitation Agreement (TFA), and as such commits to a process of continuous improvement of import and export formalities. Australia also supports regional trade facilitation efforts, contributing around AU\$160 million per year to facilitation programs in the Asia-Pacific region.¹⁹ One key commitment stemming from the TFA is the establishment of a single window designed to centralise and facilitate customs documentation. Australia's single window – the Integrated Cargo System (ICS)²⁰ – was launched in 2018 and provides a central point for almost all import transactions.

Regular importers (and exporters from Australia) can apply to be accredited under the Australian Trusted Trader (ATT) scheme.²¹ ATT-accredited parties are subject to reduced inspection and documentation requirements.

Source: WTO: Trade Policy Review Australia (2020)

¹⁵ See https://www.agriculture.gov.au/forestry/policies/illegal-logging/importers

¹⁶ WTO, Trade Policy Review – Australia 2020 (https://www.wto.org/english/tratop_e/tpr_e/tp496_e.htm)

¹⁷ WTO, Trade Policy Review – Australia 2020 (https://www.wto.org/english/tratop_e/tpr_e/tp496_e.htm)

¹⁸ See https://www.agriculture.gov.au/import

¹⁹ WTO, Trade Policy Review – Australia 2020 (https://www.wto.org/english/tratop_e/tpr_e/tp496_e.htm)

²⁰ https://www.abf.gov.au/help-and-support/ics/integrated-cargo-system-(ics)

²¹ https://www.abf.gov.au/about-us/what-we-do/trustedtrader

Port controls and formalities can also impact on trade. According to the World Bank Doing Business Index, Australia lags most advanced economies on time and costs associated with importation, with arrivals on average taking 39 hours to complete border formalities, compared to an OECD average of 8.5 hours.²² On average, following arrival from sea or air, cargoes are available for release after 1.2 days.²³

Australia's regulatory environment for services

is relatively open. The 2020 Services Trade
Restrictiveness Index (STRI)²⁴ of Australia is below
the OECD average and low compared to other
countries. According to the OECD, Australia has a
lower score on the STRI than the average in 21 out of
22 sectors.²⁵

However, some restrictions remain in areas of relevance to Viet Nam's key exports. For example, Australia applies labour market tests for groups of services providers such as intra-corporate transferees, contractual services suppliers or independent services suppliers for some occupations. There are residency requirements for directors of boards. Australia also has relatively

burdensome procedures related to obtaining a business visa.²⁶ Access for lower-skilled labour is restricted.

Exports of transport services are also impacted by regulatory controls. Construction, logistics cargo- handling, logistics freight-forwarding and courier services are the sectors in Australia with the highest score relative to the average STRI across all countries. Legal services, rail freight transport, accounting services and engineering services are the least restricted compared to Oceania and the other best performers elsewhere.²⁷

Restrictions on cross border digital services trade are however minimal, with Australia ranked as one of the most open regulatory regimes in the OCED. The 2020 Digital STRI of Australia is below the OECD average - on par with Switzerland, the United Kingdom and the United States.²⁸

See the table and below for examples of policy measures impacting on Viet Nam's services exports to Australia.

Examples of Australian Policy Measures Impacting on Trade by Key Service Area

Sector	Measure
	Nationality requirements - If a company has only one director, they must ordinarily reside in Australia. If a company has more than one director, at least one (for proprietary companies) or two (for public companies) of the directors must ordinarily reside in Australia. Additional conditions apply to companies using crowd-sourced funding. The Chairperson and a majority of directors of Telstra must be Australian citizens.
All services	Labour market tests - Generally, visas are granted to categories of services suppliers that have specialist skills, knowledge or experience that is needed but cannot be found Australia. Certain categories of service suppliers from Viet Nam are eligible for temporary entry to Australia in accordance with Australia's FTA commitments.
	Limits on duration of stay – Certain categories of service suppliers from Viet Nam are permitted entry to Australia for a period of between 12 months to four years as a result of FTA commitments. In addition, the temporary work visa programme (subclass 400) allows for a maximum stay of up to 6 months without possibility of extension.
	Local presence for cross border supply - To act as a customs broker in Australia, service suppliers must supply the service in and from Australia.
Logistics and distribution	Licensing and authorisation requirements - There is a licensing requirement for air cargo agents, clearing, handling and arranging the transport of air cargo. A license is also required for customs brokers and depots and warehouses. An Operating licence of a Port Corporation is required, issued to the Port Corporation by the Minister.

²² https://www.doingbusiness.org/en/data/exploreeconomies/australia#DB_tab

²³ Australian Border Force time release data up to 2016 showed how long on average cargoes took to be released from customs on arrival by air or sea. According to the 2016 study, cargoes were available for release on average 1.2 days following arrival, in line with World Bank findings. http://www.homeaffairs.gov.au/research-and-stats/files/time-release-study-2016.pdf

²⁴ See the OECD STRI at https://stats.oecd.org/Index.aspx?DataSetCode=STRI

²⁵ See OECD Services Trade Restrictiveness Index (STRI): Australia 2019 at https://www.oecd.org/trade/topics/services-trade/documents/oecd-stri-country-note-australia.pdf

²⁶ See OECD Services Trade Restrictiveness Index (STRI): Australia 2019 at https://www.oecd.org/trade/topics/services-trade/documents/oecd-stri-country-note-australia.pdf

²⁷ See OECD Services Trade Restrictiveness Index (STRI): Australia 2019 at https://www.oecd.org/trade/topics/services-trade/documents/oecd-stri-country-note-australia.pdf

²⁸ See https://stats.oecd.org/Index.aspx?DataSetCode=STRI_DIGITAL

Foreign equity restrictions - Under the Airports Act, 1996, the limit on foreign ownership of airport- operator companies is 49%. In addition, the limit on airline ownership of airport-operator companies is 5%. A 15% limit exists on cross-ownership between paired airport-operator companies (Sydney and Perth, Sydney and Brisbane, and Sydney and Melbourne).

Monopoly services - The Australian Postal Corporation is a government-owned corporation and has a monopoly on the carriage of certain categories of letters. However, its courier and express delivery services operates in a competitive market. The ARTC (Australian Rail Track Corporation, a Federal Government owned corporation) has control of the interstate lines in NSW. The NSW government agencies govern service providers access to those parts of the NSW rail network that remain in State control.

Cabotage exclusion - Australia reserves the right to adopt or maintain any measure with respect to maritime cabotage services and offshore transport services.

Transport

Local presence for cross border supply - Every ocean carrier who provides international liner cargo shipping services to or from Australia must, at all times, be represented by a natural person who is resident in Australia.

Nationality requirement - For a ship to be registered on the Australian Shipping Register it must be majority Australian-owned or on demise charter to Australian-based operators. In the case of small craft, a ship must be wholly owned by or solely operated by Australian residents, Australian nationals or both. A trading ship must be wholly or majority Australian-owned, on demise charter to Australian-based operators or operated solely by Australian residents, Australian nationals or both. The master or chief mate, and chief engineer or first engineer of the ship must be an Australian national or Australian resident.

Qualification requirements - Seafarers must obtain a Australian marine qualification from the Australian Maritime Safety Authority (AMSA). A rail safety worker is required to hold a certificate certifying that the worker has certain qualifications or units of competence.

Business services

Registration requirements - There is a compulsory, but not uniform, licence regime for professional engineers in Queensland, Victoria and NSW.

Domestic content quotas - The regulatory regime governing the screen industry includes Australian content quotas, and sub-quotas for children's content, documentaries and Australian drama. These quotas apply to free-to-air broadcasters and pay television, and ensure a minimum amount of Australian screen content is produced and broadcasted. A minimum of 5%-25% of music played must be Australian. The limit is dependent on the format of service being provided with mainstream and contemporary style stations requiring the highest level. The quota does not apply to digital-only services.

Limits on foreign share ownership (publicly controlled companies)- Aggregate foreign equity is restricted to no more than 35 percent of shares of Telstra. Individual or associated group foreign investment is restricted to no more than five per cent of shares. NBN Co, the corporation which is building and operating Australia's advanced fixed line National Broadband Network (NBN) is wholly owned by the Australian Government. The NBN Companies Act states that the Commonwealth must retain full ownership of NBN Co until the NBN rollout is complete.

ICT and AV

Restrictions on legal form - A commercial television broadcasting licence is not to be allocated, unless the applicant is a registered company according to the Corporations Act 2001. For community broadcasting licences, the applicant should be a company limited by guarantee.

Restrictions on advertising - There are hourly limits on the extent of advertisements that a broadcaster can use, including a requirement that certain time periods are occupied by Australian produced advertisements.

Local presence requirement - Telstra is required to maintain its head office, main base of operations and place of incorporation in Australia.

Performance requirements - Australia reserves the right to adopt or maintain, under the International Coproduction Program, preferential co-production arrangements for film and television productions. Official coproduction status, which may be granted to a co-production produced under these co-production arrangements, confers national treatment on works covered by these arrangements.

Recreational services

Market access and national treatment limitations - Australia reserves the right to adopt or maintain any measure with respect to the creative arts , Indigenous traditional cultural expressions and other cultural heritage²⁹.

Source: OECD STRI, WTO Trade Policy Review, CPTPP

²⁹ Creative arts" means: the performing arts (including live theatre, dance and music); visual arts and craft; literature (other than literary works transmitted electronically); and hybrid art works, including those which use new technologies to transcend discrete art form divisions. For live performances of the "creative arts", as defined, this entry does not extend beyond subsidies and grants for investment in Australian cultural activity. Cultural heritage" means: ethnological, archaeological, historical, literary, artistic, scientific or technological moveable or built heritage, including the collections which are documented, preserved and exhibited by museums, galleries, libraries, archives and other heritage collecting institutions.

Recent policy changes have been liberal. While the regulatory environment for services has been relatively stable over the past years, Australia has undertaken minor liberalisation related to the movement of people in 2018. Furthermore, several favourable measures were adopted in response to the COVID-19 crisis, for example, Australia temporarily suspended an obligation of 55% Australian content on free-to-air and subscription television content. ³⁰

Recent restrictions on travel – imposed as part of COVID-19 measures - for persons travelling in and out of Australia have however severely limited labour mobility and impacted adversely on the functioning of key services sectors and trade - including with Viet Nam – with services such as education, tourism and transport impacted.

This aligns with Australia's focus on building international services trade in the region. For example, Australia's Services Exports Action Plan, ³¹ a government and industry strategy to boost Australia's services exports, identifies five macro-level outcomes focused on: free and open international trade in services; best practice systems and rules; world class skills and talent; cutting edge and internationalised services, and; information driven policies and business strategies. Vietnamese business can take advantage of these policy settings to build partnerships with Australian business trading in the region.

Investment framework

Australia is generally open to foreign investment.

However, in some aspects of investment regulation, Australia's policy settings are more restrictive than other advanced economies.³²

The OECD index of FDI regulatory restrictiveness³³ shows that Australia's regime is not overly restrictive in absolute terms (a score of 0.149 in 2020, compared to a maximum of 1.0, and close to Viet Nam with a score of 0.13), and notes a decline in restrictiveness since 1997 (when the score was 0.2), in line with a broad trend across the OECD. In relative terms Australia's FDI regime is ranked above (more restrictive) than the OECD average, though lower than Canada, New Zealand and Iceland.

By sector/industry Australia is ranked as more restrictive than the OECD average across all areas, except for fishing and radio/TV broadcasting. The most restricted sectors, relative to the OECD average, are real estate investment; telecommunications (mobile and fixed) and other media, forestry and agriculture, and air transport. 34

A broad foreign investment screening regime applies to investments. Australia regulates inward foreign investment through a range of mechanisms, to balance the economic benefits of foreign investment against the risks, and to maintain community confidence that foreign investment is in the national interest. ³⁵ The core policy is a foreign investment screening regime that applies to certain investments above monetary thresholds. This policy requires foreign investors to notify the Treasurer of proposed foreign investments that meet certain criteria, who can prohibit these investments, or apply conditions to the way they are implemented, to ensure they will not be contrary to the national interest or national security (as applicable). ³⁶ See box below.

³³ See https://stats.oecd.org/Index.aspx?datasetcode=FDIINDEX#.

The Productivity Commission points out There are some limitations with the OECD index. For instance, it uses a subjective assessment to weight the strength of statutory restrictions, it does not include screening that is strictly for national security purposes, and it does not measure how statutory restrictions are enforced. https://www.pc.gov.au/research/completed/foreign-investment

³⁴ This assessment is based on a range of measures that also impact on trade in services, such as

³⁵ Set by the Foreign Acquisitions and Takeovers Act 1975 and the Foreign Acquisitions and Takeovers Fees Impositions Act 2015, along with their associated regulations. See Productivity Commission Research Paper, Foreign Investment in Australia, June 2020 at https://www.pc.gov.au/research/completed/foreign-investment

³⁶ https://firb.gov.au/sites/firb.gov.au/files/2021-01/Australias_foreign_investment_policy.pdf Whether a foreign person is required to notify the Treasurer of their proposed investment will depend on a number of factors including: whether the investor is a foreign government or non- government investor; the type of acquisition; whether the investment is likely to raise national security concerns; the monetary thresholds relevant to the investment; and any FTA commitments.

³⁰ See OECD Services Trade Restrictiveness Index (STRI): Australia 2019 at https://www.oecd.org/trade/topics/services-trade/documents/oecd-stri-country-note-australia.pdf

³¹ https://www.services-exports.gov.au/sites/default/files/2021-03/australias_services_exports_action_plan.pdf

³² https://www.pc.gov.au/research/completed/foreign-investment

BOX - AUSTRALIA'S FOREIGN INVESTMENT SCREENING REGIME

All foreign acquisitions that exceed prescribed monetary thresholds are subject to screening under a 'national interest test' or a narrower 'national security test'. Most investments will be assessed under the national interest test, provided they satisfy the monetary and control thresholds described above. Certain investments that do not meet these thresholds but nonetheless pose national security concerns may still be screened under the national security test.

The Treasurer considers whether there is evidence the relevant investment is contrary to Australia's 'national interest', or national security, or if the Treasurer takes no action they are deemed approved after statutory time periods. If the Treasurer forms the view that the foreign investment is contrary to the national interest or national security, the Treasurer can:

- · make an order to prohibit the investment going ahead,
- · allow the investment, but impose conditions,
- order disposal of the investment if it has already gone ahead.

However, the general presumption is that foreign investment is beneficial, given the important role it plays in Australia's economy. For this reason, where risks to the national interest or national security are identified, the more common approach is to approve the investment subject to conditions designed to protect the national interest or national security.

The concept of **national interest** is not defined in law, but policy documents indicate that, when assessing the national interest, the Government normally takes into account:

- national security, based on assessments from our security agencies,
- competition, particularly whether the acquisition may allow control of the supply of a product into the domestic market,
- the tax and environmental impacts of investments.
- the impact on the economy and community, including employees, creditors and other stakeholders
- the character of the investor, including whether they operate on a transparent commercial basis and are subject to transparent regulation and supervision in their home country.

For the **national security test** the Government considers the extent to which investments affect Australia's ability to protect its strategic and security interests. It relies on advice from the relevant national security agencies for assessments as to whether an investment raises national security issues.

Since 2015, the ATO has been responsible for administering residential real estate assessments.

In accordance with the Fees Imposition Act, foreign investors must pay an application fee when notifying the Treasurer of a proposed investment.

Source: https://firb.gov.au/sites/firb.gov.au/files/2021-01/Australias_foreign_investment_policy.pdf; https://www.pc.gov.au/research/completed/foreign-investment;

Aside from the foreign investment screening regime, there are few investment controls in Australia at the central level. Other policy measures affecting investment include specific foreign ownership

restrictions in some sectors and controls on land and property aquistion by non residents. They are summarised in the table below.

Australia's Policy Measures on Foreign Investment

Policy control	Measure
Limits on foreign ownership	Aggregate foreign ownership in an Australian airline (including Qantas) is limited to 49 per cent (with any one foreign holding capped at 35 per cent)
	The Airports Act 1996 limits foreign ownership of some airports to 49 per cent, with a 5 per cent airline ownership limit; and cross ownership limits (where a foreign investor owns more than 15 per cent of Sydney airport) between Sydney airport and either Melbourne, Brisbane or Perth airports
	The Shipping Registration Act 1981 requires a ship to be majority Australian owned if it is to be registered in Australia
	Aggregate foreign ownership of Telstra is limited to 35 per cent and individual foreign investors are only allowed to own up to 5 per cent.
Restrictions on purchase of land	Foreign non residents can only invest in residential property if that investment (directly) adds to the housing stock — that is, established dwellings cannot be purchased. 37
	Temporary residents can only buy an established dwelling if it is used as their residence and sold when they leave Australia.
	Foreign investors who want to buy or invest in residential property in Victoria (VIC), New South Wales (NSW), Queensland (QLD), South Australia (SA), Western Australia (WA) and Tasmania (TAS) are required to pay a stamp duty surcharge. The surcharge only applies to acquisitions of residential land that are liable to a stamp duty.

Sources: https://www.pc.gov.au/research/completed/foreign-investment; WTO Trade Policy Review

In Viet Nam, investment authorisation is required from Vietnamese regulators. Investors in Viet Nam

require authorisation to invest abroad, including in Australia. See box below.

BOX: INVESTING ABROAD FROM VIET NAM

Vietnamese investors require authorisation to invest abroad, including in Australia. Viet Nam regulates outward investment from the country to 'balance financial resources between Vietnamese enterprises investing abroad and high demand for domestic investment while ensuring that outward investment is in line with other national regulations and commitments.' Investment abroad by Vietnamese-based enterprises is governed by the Law on Investment 2020 and Chapter VI of Decree No.31/2021/ND-CP of 26 March 2021 regulating some articles of the Law on Investment.

Authorisation procedures apply to conduct FDI in another country. Investors need to obtain an outward investment registration certificate (OIRC) from the Ministry of Planning and Investment (MPI), and, depending on the scale of the project, may need to seek prior approval from the Prime Minister or the National Assembly of Viet Nam.

³⁷ The possibility that foreign investors add to the housing stock indirectly (e.g. if a vendor of an established dwelling uses the funds to invest in a new dwelling) is not considered by Government policy. https://www.pc.gov.au/research/completed/foreign-investment



Projects with outward investment capital above VND 20 billion (approximately US\$864,000 and those requiring special policies are subject to the approval of the National Assembly based on a report by an Appraisal Council established by the Prime Minister. Outward investment projects in banking, insurance, securities, journalism, broadcasting, telecommunication, and real estate above VND 400 billion (approximately US\$17.2 million) and projects in other sectors exceeding VND 800 billion (approximately US\$34.5 million) are subject to the approval of the Prime Minister. Individuals can invest abroad according to the provisions of Decree 31/2021/ND-CP.

In addition to obtaining the OIRC, the Vietnamese investor must also open a direct investment capital account in an authorized financial institution in Viet Nam through which the direct investment will be made. Periodically, the SBV stipulates the provisions of foreign currency loans available for outward investments, according to its monetary and foreign currency management policies. Quarterly and annual reports prepared by Vietnamese investors, according to Article 73 of the Law on Investment, are the means used to monitor the implementation of outward investment.

Sources: MPI; (https://www.wto.org/english/tratop_e/tpr_e/tp496_e.htm; https://www.vietnameselawblog.com/how-to-make-an-outward-investment-as-a-vietnamese-citizen/; https://openknowledge.worldbank.org/bitstream/handle/10986/33598/Viet Nam-2019-Investment-Policy-and-Regulatory-Review.pdf?sequence=1&isAllowed=y

iii. Leveraging shared FTA networks

Australia and Viet Nam share participation in extensive FTA networks across the region. Both have numerous agreements with their trading partners, including with each other. Viet Nam and Australia are both members of the AANZFTA, the CPTPP and also the RCEP.

Participation across these FTAs affords benefits to Viet Nam's exporters and investors, reducing tariff barriers to exports, bringing greater certainty to the investment environment, improving business mobility and supporting open regulatory frameworks for services and digital trade.

Advantages for exporters

Viet Nam's exporters benefit from comprehensive FTAs with Australia. Australia has a wide FTA network encompassing multiple trading partners in the region. While this includes Viet Nam, it also includes major competitors in the Australian market - except the EU and the UK, with whom bilateral agreements are currently being negotiated.

As a party to CPTPP, Viet Nam benefits from liberal terms of access to Australia across a comprehensive range of economic activity that supports trade, not only market access for cross border goods and services, but also extending to business mobility, investment and digital trade. Although these terms are shared with key competitors Singapore, New Zealand, Japan and Malaysia³⁸, Viet Nam, through its CPTPP membership, is well positioned to Australia to take advantage of them to grow trade with Australia. Viet Nam can also trade with Australia under AANZFTA and RCEP. The AANZFTA agreement is currently being upgraded and may offer further advantages.

³⁸ Malaysia is a signatory to the agreement but as of September 2021 is yet to ratify.

Indonesia, Japan, China and the US receive benefits under bilateral FTAs with Australia: JAEPA, CHAFTA, AUSFTA, IACEPA. Regional agreements - such as AANZFTA and RCEP - also benefit New Zealand, ASEAN economies, Japan, Korea and China. In general, the regional agreements tend not to be as broad in scope, and their commitments on services not as deep as the CPTPP. For example, the AANZFTA has no investment market access provisions. Some of the older bilateral agreements - JAEPA, ChAFTA, AUSFTA - lack provisions on e-commerce and/or business mobility.

Notably other major exporters to Australia - the UK and EU - currently have no preferential trade access to Australia, though bilateral negotiations are underway. At the time of writing the bilateral agreement with the UK had been agreed in principle. The UK has also formally requested to join the CPTPP.

Advantages of all the various FTAs depend on the commitments made.

BOX: VISA FOR ASEAN AGRICULTURE WORKERS

In June 2021, the Australian government announced a new visa scheme would be introduced to allow agricultural workers from ASEAN nations to work in Australia to help deal with a growing shortage of farm workers. The new seasonal agricultural worker visa will likely mirror the existing Seasonal Worker Programme, including conditions for pay, health, work and safety. The visa will also apply to backpacker seasonal workers from the UK.

The details of the visa scheme are currently being finalised. It is expected to permit ASEAN seasonal workers to come to Australia for up to nine months in a year – returning home each year for at least three months – for up to three years. A bilateral arrangement with Viet Nam is reported to have been reached in March, the first agreed under the visa scheme.

Source: https://minister.awe.gov.au/little proud/media-releases/seasonal-agriculture-worker-visality for the properties of the propertie

Benefits for investors

Investors from Viet Nam benefit from FTA commitments with Australia. As a result of its membership of the CPTPP, investors from Viet Nam benefit from higher screening thresholds for some types of investment. These terms are not as advantageous as some other investment partners of Australia including the US, New Zealand and Chile but are more advantageous than requirements applicable to investment from non-CPTPP FTA partners.

Pursuant to the CPTPP and AANZFTA, Viet Nam investors in Australia are also accorded rights to investment protection (such as minimum standards of investment, compensation for expropriation of investments and investor state dispute settlement). The commitments in the CPTPP replace a pre-existing bilateral investment treaty between Australia and Viet Nam, which was terminated upon Viet Nam's entry into the agreement. Screening requirements applicable to investors from Viet Nam are summarised in the table on the next page.

Screening of Investments from Viet Nam - Applicable Thresholds as at 2021

Investor	Type of investment	Screening threshold N (AUD)		
Non-land proposals				
All investors	National security businesses	0		
All lilvestors	Australian media businesses	0		
	Acquisition in non-sensitive businesses	1,216m (also for other CPTPP parties ³⁹ , US, Chile, China, Hong Kong China). 281m all others		
Private investors	Acquisitions in sensitive businesses ⁴⁰	281m		
	Agribusiness	$61m^{41}$ Except 1,216m for Chile, NZ and US		
Foreign government investors	All investments	0		
Land proposals				
All investors	National security land, residential land, vacant commercial land	0		
	Agricultural land	15m (cumulative). Except: Chile, NZ and US 1,216m, and Thailand 50m where land is used wholly and exclusively for a primary production business		
Private investors	Developed commercial land	1,216m (also for other CPTPP parties, Chile, China, Hong Kong). 281m for others, except where land is sensitive (such as mines and critical infrastructure) 61m ⁴²		
	Mining and production tenements	0 Except Chile, NZ, US 1,216m		
Foreign government investors	Any investment	0		

 $Source: https://firb.gov.au/sites/firb.gov.au/files/2021-01/Australias_foreign_investment_policy.pdf$

iv. Expanding dynamic, growing trade and investment

Viet Nam's trade relationship with Australia, while still small relative to other major trading partners, has developed significantly over the last decade. Trade across goods, services and investment is growing, in some cases at a faster rate than that with the rest of the world.

There are opportunities for Viet Nam to further grow trade and investment with Australia, both in 'traditional' areas, as well as in new and emerging growth sectors. This is particularly evident for services and investment, where there are synergies between Viet Nam's growing export and services capabilities, and Australia's economy.

³⁹ For which the agreement is in force.

⁴⁰ Sensitive sectors include telecommunications; transport; defence and military related industries and activities; encryption and securities technologies and communications systems; and the extraction of uranium or plutonium; or the operation of nuclear facilities

⁴¹ based on the value of the consideration for the acquisition and the total value of other interests held by the foreign person (with associates) in the entity)

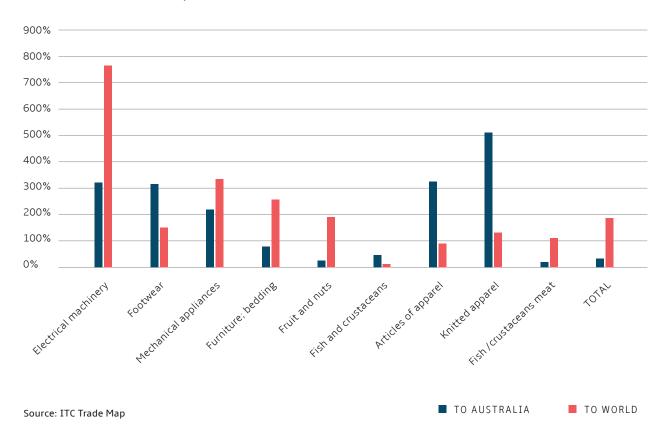
⁴² including HK and Peru where commercial land is also sensitive land

Trade in goods

Strong growth with potential for more. Most of Viet Nam's top exports to Australia have shown strong growth over the past ten years. Total exports to Australia from Viet Nam have grown by 39% since 2011; over the same period Viet Nam's exports to the world grew by 190%. This largely reflects the rapidly growing global competitiveness of many Vietnamese goods, and suggests that Viet Nam's globally competitive producers could significantly increase their exports to Australia in some key product categories.

The chart below shows growth in exports of key Vietnamese products since 2012. In some product categories – including electrical machinery, appliances and furniture – growth in exports to the rest of the world has been spectacular, outpacing (still significant) growth in exports to Australia. For example, high value electrical machinery grew by a staggering 765% to the world since 2012, and 331% to Australia over the same period.

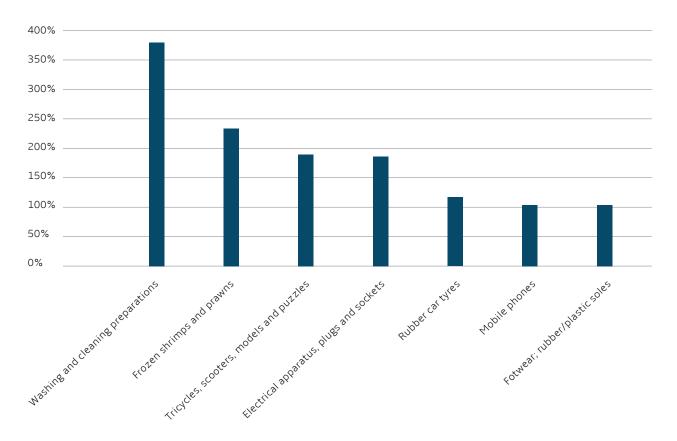
Growth in Viet Nam Exports between 2012 and 2020



Exports to Australia of some other products however, has outpaced that to the rest of the world. Viet Nam's exports to Australia of footwear, clothing and fish and crustaceans have grown more rapidly than equivalent exports to the rest of the world. At

the product level (rather than broad HS category), fast-growing exports include rubber-soled footwear (HS640419); frozen shrimps and prawns (HS030617); mobile phones (HS851762) and washing and cleaning preparations (HS340220).

Growth in Value from 2016-2020 for Selected Vietnamese Exports to Australia



Source: ITC Trade Map

Emerging services

Viet Nam's services exports to Australia are small, but are growing rapidly, indicating potential for future growth. This includes trade in 'new' services sectors, such as ICT and digital, distributive trade and business services.

Viet Nam's cross border services exports to Australia account for about 1.5% of Australia's total services imports - roughly half that of China's share, and not quite one third of Indonesia's share. 43

Although small, they are growing significantly. Australia's imports of services from Viet Nam have grown 52.2% over last 10 years (2009 -2019) and 31.5% since 2015 (2019 levels).⁴⁴ This growth has generally outpaced the growth in exports from other

competitors.⁴⁵ For example, Australia's services imports from the US grew 13% and from China 20.5%. Viet Nam's share in Australia's services imports is also growing steadily- it was 1.2% in 2009, and 1.5% in 2019.

This longer-term growth in cross border exports is on par with growth in Viet Nam's services exports to the world. Viet Nam's total services exports have grown 36.8% since 2015 as its services industries have developed and the economy has expanded.⁴⁶

A range of services categories are high performers, outpacing growth in total services exports. Viet Nam's exports to Australia are growing significantly across almost all major service categories.

⁴³ Australian imports. ABS Cat 5368.0.55.004 - International Trade: Supplementary Information, Calendar Year, 2019.

⁴⁴ They fell significantly in 2020 due to pandemic related travel restrictions.

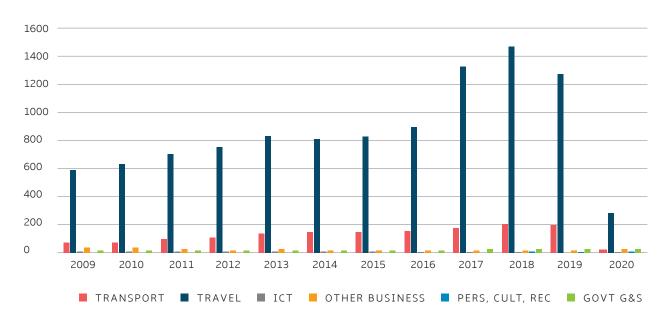
⁴⁵ Except for NZ 36% and India 35.5%.

^{46 2019,} Viet Nam Statistics Office : https://www.gso.gov.vn/en/px-web/?pxid=E0820&theme=Trade%2C%20Price%20and%20Tourist

Over the last five years (2015-2019) exports of personal, cultural and recreational services (PCR); travel (personal, business and educational) transport and government services exports have all grown in excess of 24%. Growth over the ten years from 2009 has been even more marked; transport services grew by over 65%, PCR services by 75% and travel by more than 50%. Education related travel expanded by over 80%.

Exports of ICT and Business services have been relatively steady since 2015, but increased in 2020, defying the trend for travel⁴⁷ and transport which fell more than 70% between 2019 and 2020 in the wake of pandemic-related restrictions.⁴⁸

Australia's Imports of Services from Viet Nam by Category 2009 – 2019 (AU\$ millions)



Source: ABS

⁴⁷ Travel: 2009 – 2019 Business travel grew 38.7%; Personal 54.1%; Education related 81.2%. 2015-2019 Personal grew 36.5%; Education related 68.75%. All categories fell 2019 – 2020 – Personal fell by 343%; Education related by 340% and Business 544%. Australian imports. See ABS Cat 5368.0.55.004 - International Trade: Supplementary Information, Calendar Year, 2020.

⁴⁸ Transport services exports fell by 87% 2019-2020; Travel exports fell by 77%. Australian imports. See ABS Cat 5368.0.55.004 - International Trade: Supplementary Information, Calendar Year, 2020

These industries are growing in Viet Nam and are increasing their export capability and presence. For example, Viet Nam's exports of transport services increased 45% between 2015 and 2019; postal and telecoms by 30%; finance by 51% and travel by 38%.49

This trend is evident as Viet Nam increasingly shifts to a services economy. Services as a share of GDP has grown from 39% in 2015 to over 41% in 2019⁵⁰, buoyed by strong economic growth, rising FDI and expanding population. New services industries are emerging and growing rapidly, such as express delivery and start-ups in the financial services, online media, travel, and food industries.

For example, Viet Nam's express delivery services market is booming with a valuation of USD700.4 million in 2020 and is projected to reach USD1655.96 million by 2028.⁵¹ Viet Nam is expected to emerge in 2022 as the third-largest start-up ecosystem in Southeast Asia along with Singapore and Indonesia.⁵²

Post pandemic opportunities in services growth

areas. There are potential opportunities for Viet Nam's expanding services providers to grow trade with Australia. Vietnamese businesses can explore market opportunities in fast growing industries while also contributing to the Australian economy. This is particularly so as Australian services providers adopt strategies and seek out new markets to boost growth in the post pandemic environment.

BOX: THE IMPORTANCE OF AUSTRALIA'S SERVICES INDUSTRIES

Australia's economy is underpinned by a diverse mix of competitive industries. In 2020, the country's services industries accounted for 81% of real gross value added (GVA) respectively. Australia's mining sector generated 11.0% of GVA, followed by financial services (9.4%), ownership of dwellings (9.1%) and healthcare and social assistance (8.0%). Technology-driven sectors – including professional, scientific and technical services, education and IT – were worth over 15% of total economic production.⁵³

The Australian services sector grew by 3.2% per year in the three decades to December 2020, outpacing growth in the goods sector. The information, media and telecommunications sector grew fastest, at a compound annual growth rate of 5.1% over the last 30 years, followed by professional, scientific and technical services (4.7%), and healthcare and social assistance (4.4%).

Source: https://www.austrade.gov.au/ArticleDocuments/10653/Why_Australia%20_Benchmark%20_Report_2021.pdf.aspx?embed=y

⁵¹ https://vietnamnet.vn/en/business/Viet Nam-business-news-august-2-761876.html; https://vietnamnet.vn/en/business/Viet Nam-business-news-july-27-759733.html; https://vir.com.vn/make-in-Viet Nam-by-Viet Nam-for-a-fresh-digital-orientation-81780.html; https://e.vnexpress.net/news/business/industries/make-in-Viet Nam-campaign-targets-top-30-it-status-3920371.html

⁵² https://vietnamnet.vn/en/business/Viet Nam-business-news-august-2-761876.html; https://vietnamnet.vn/en/business/Viet Nam-business-news-july-27-759733.html; https://vir.com.vn/make-in-Viet Nam-by-Viet Nam-for-a-fresh-digital-orientation-81780.html; https://e.vnexpress.net/news/business/industries/make-in-Viet Nam-campaign-targets-top-30-it-status-3920371.html

⁵³ https://www.austrade.gov.au/ArticleDocuments/10653/Why_ Australia%20_Benchmark%20_Report_2021.pdf.aspx?embed=y

⁴⁹ Viet Nam Statistics Office https://www.gso.gov.vn/en/pxweb/?pxid=E0820&theme=Trade%2C%20Price%20and%20Tourist

⁵⁰ Viet Nam General Statistics Office https://www.gso.gov.vn/en/national-accounts/

Australian services businesses remain reliant on other services inputs for growth. Business services - both as a share of the Australian economy and an input into other industries – are growing. ⁵⁴ Companies are increasingly outsourcing business services such as IT networks, finance, and logistics, allowing for greater economies of scale and specialisation. ⁵⁵

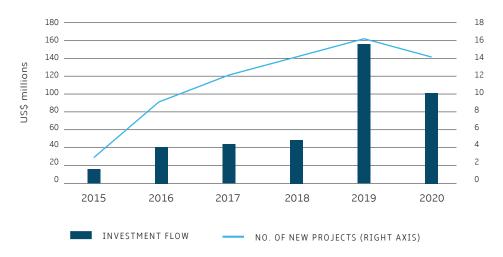
In addition, the pandemic has forced many industries to experiment with remote delivery (such as in telehealth and education), driving demand for digital platforms, digital marketing, and technology services, third-party logistics and transportation and delivery services. These services are becoming increasingly important for all Australian services industries as they pivot toward digital transformation.

Expanding investment

Viet Nam's investment in Australia is expanding. The current level of Viet Nam's investment in Australia is low - amounting to US\$722 million in 2020,⁵⁶ less than 1% of Australia's total inward investment.⁵⁷

Despite this low base, over the ten years 2010-2020, Viet Nam's registered capital investment in Australia has expanded, growing by an average of US\$3.7 million between 2010 and 2015, and then accelerating to an average of US\$82 million between 2015 and 2020. 2019 saw the largest single-year investment flow from Viet Nam to Australia on record – US\$154 million.

Viet Nam Registered Foreign Investment Capital Flows to Australia 2015-2020 (USD)



Viet Nam Ministry of Planning and Investment (MPI)

⁵⁴ https://www.pc.gov.au/research/ongoing/productivity-insights/ services/productivity-insights-2021-services.pdf

⁵⁵ https://www.pc.gov.au/research/ongoing/productivity-insights/services/productivity-insights-2021-services.pdf

⁵⁶ Viet Nam General Statistics Office, https://www.gso.gov.vn/en/px-web/?pxid=E0420&theme=Investment

⁵⁷ Vietnamese investment in 2020 was AU\$785 million out of Australia's total investment stock of AU\$3.9 trillion. A small portion of this is in the form of direct investment - about AU\$10 million - in 2018. FDI was not reported in 2019, 2020. ABS CAT 5352.0.

The number of new Vietnamese investment projects in Australia has also increased significantly over the last 5 years, rising from three in 2015 to 14 in 2018, 16 in 2019 and 14 in 2020 ⁵⁸

These trends show new and increasing Vietnamese investment in Australia year on year, indicative of the growing investment relationship.

v. Driving diversification

Viet Nam is well placed to build on its complementary and growing trade relationship with Australia to increase export sales and two-way investment. The post-COVID political and economic environment creates significant opportunities in the Australian market, as importers, exporters and investors seek to diversify relationships. Both industry and the Australian government are actively seeking to reduce reliance on a few major import sources, in favour of stronger links with partners like Viet Nam. Further building the partnership can contribute to greater diversification of trade and

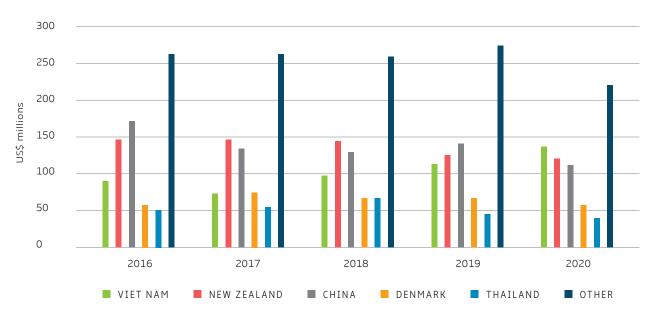
investment in both economies, thereby supporting more resilient supply chains and facilitating trade recovery.

Viet Nam and Australia are currently each other's fourteenth largest trading partners, with the aim of becoming top ten trade partners and doubling bilateral investment in future. ⁵⁹ By taking advantage of the post-COVID push for diversification, Vietnamese exporters can accelerate this growth.

Increasing market share

Vietnamese exports to Australia are already taking market share from major competitors. Even before the pandemic, some Vietnamese exports were steadily eroding the market share of Australia's main suppliers. In the case of fish and crustaceans, Viet Nam has increased exports to Australia, rising from the third-placed to the top supplier over the period 2016-2020 at the expense of China and New Zealand. See chart below.

Fish and Crustaceans (HS03): Top Exporters to Australia 2016-2020

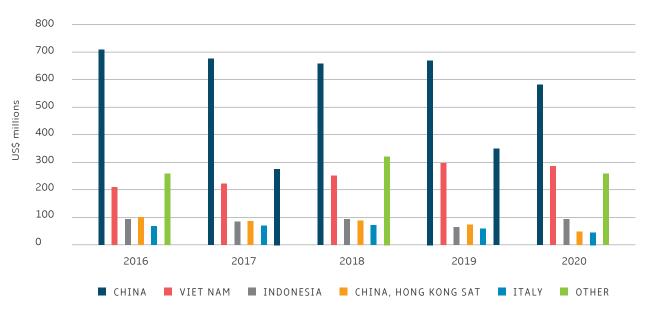


Source: UN Comtrade

Vietnamese exports of footwear have also increased strongly, taking up some of the market share that

market leader China has lost. See chart below.

Footwear (HS64): Top Exports to Australia 2016-2020



Source: UN Comtrade

The post-COVID environment – and the desire of Australia to diversify trading relationships by increasing trade ties with key partners such as Viet Nam – represents an opportunity to accelerate growth in Viet Nam's key goods exports.

Broader services and investment

There are opportunities for Viet Nam to become a more significant supplier of services to Australia, across both traditional and new and growing areas of trade. Australia's services imports are generally dominated by OECD economies (mainly the EU, US, UK, NZ, Japan), as well as China, India, and some ASEAN members. In ASEAN, Viet Nam competes with Indonesia and Thailand as well as Malaysia and the Philippines.

In relative terms, the share of Viet Nam's services exports in Australia's total services imports in 2019 – 1.5% - was well below major exporters, and not quite one third of Indonesia's share (4.4%), but roughly half that of China's.

In key sectors of Viet Nam's exports – travel and transport - there is scope for Viet Nam to further expand its export share in Australia, thus contributing to greater diversification of Australia's services import base across both ASEAN and OECD economies. This is also the case in areas where services exports are growing – ICT, PCR, business services – where Viet Nam's services capability is increasing, and where Australia's demand for these services is rising.

Top Services Exporters to Australia, by Key Service Category, 2019, AU\$ millions

Service category	Top import sources/competitors	Competitors in ASEAN		
Travel	US, UK, NZ, Indonesia, Japan	Thailand, Malaysia, Philippines		
Transport	Singapore, Germany, Hong Kong, Japan	Malaysia, Indonesia, Thailand		
Other business	US followed by Singapore, UK	Thailand, Philippines, Indonesia, Malaysia		
Pers, cultural recreational (PCR)	US, UK	Japan, Philippines, Malaysia, Thailand, Indonesia		
ICT	US, India, Sweden, UK	Philippines, Singapore, Thailand, Indonesia		
Govt G&S	US, Indo, UK, China	Philippines, Singapore, Thailand, Malaysia		

Source: ABS, AU imports

Similarly, expanded services exports to Australia will help to diversify Viet Nam's services export base as its services sectors develop and capabilities expand. Exports to Australia accounted for about 5.3% of all Viet Nam's cross border services exports in 2019.60

vi. Adding value, mutual benefits

Viet Nam's goods and services sectors export products to Australia not only through cross border trade and transactions, but also by adding value to final demand in the Australian economy, and to Australia's exports to the world. Viet Nam's value add contribution to Australia, and to Australia's trade, is already substantial.

Recognising and expanding these value-chain linkages – across both existing and in new areas – will allow Viet Nam to take advantage of growth opportunities and permit both countries to maximise the benefits that flow from greater two-way economic activity. Benefits can be enhanced through investment partnerships, business to business links, and closer economic cooperation.

Mutual benefits

Viet Nam adds value to Australian goods, services and exports. Viet Nam's 'exports' to Australia are more than just cross border trade and transactions. Trade with Australia is also supported by the 'value add' of Viet Nam's economic activity to the Australian economy and its exports. Calculating the value that is added at each step of the value chain – rather than just the gross value of the final product – allows a more nuanced understanding of which sectors and economies contribute to and benefit from trade.

⁶⁰ Viet Nam's cross border exports to the world were about 20.4b USD in 2019. https://www.gso.gov.vn/en/px-web/?pxid=E0820&theme=Trade%2C%20Price%20and%20Tourist

EXAMPLES OF THESE "VALUE ADDED" LINKS BETWEEN AUSTRALIA AND VIET NAM

- National Australia Bank (NAB) has invested in a software development centre in Viet Nam, ⁶¹ contracting over 300 engineers and consultants. The digital products produced by this collaboration and used by NAB to service Australian customers represent value added by the Vietnamese tech services sector that are consumed in Australia (captured as Australian "final demand").
- A Vietnamese firm exports electronic components to an Australian manufacturer, which uses them as inputs for medical machines that are then exported around the world. In this case, Viet Nam's manufacturing sector has added value to an Australian manufactured export.
- A Vietnamese dried fruit and nut exporter sells products to an Australian food manufacturer, which uses them to produce muesli bars that are sold in Australia and throughout Asia-Pacific. In this example, some of the value of the Vietnamese fruit and nuts have been consumed as Australian final demand, and some has formed part of Australia's gross exports.

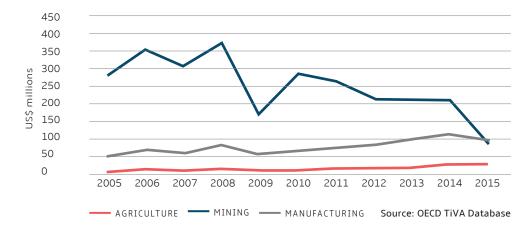
Source: Article Three

The Vietnamese food and agriculture industry is already a significant source of value added to Australian goods, ranking as the eighth most important source of imported value for Australian final demand (US\$200 million), and eighth most important source of value in Australian gross exports (US\$27 million).⁶²

Viet Nam's mining and quarrying sector also contributes significantly to Australian final demand (US\$433 million) and gross exports (US\$90 million) holding eighth and ninth place respectively when compared to all other countries.

The source of this contribution has evolved over the past decade and a half. In 2005, the major Vietnamese source of value was the mining and quarrying sector, especially energy goods such as petroleum products. Mining's contribution reduced significantly over the period 2012-2015, 63 echoing the falling importance of Viet Nam's petroleum exports. Value-added by Viet Nam's manufacturing and agriculture industries increased over the same period. The major source of Viet Nam value-add to Australian demand and to Australian gross exports is now manufacturing, indicative of the highly complementary nature of the trade relationship and Viet Nam's growing importance as source of manufacturing capability. See tables below.

Value to Australian Gross Exports Added by Viet Nam's Goods Sectors

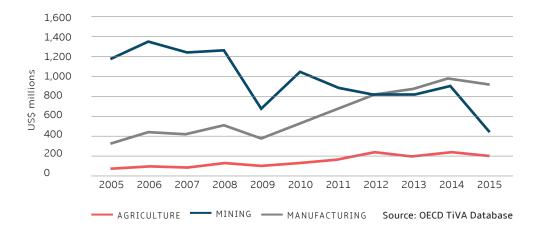


⁶¹ https://positivethinking.tech/news/proud-b-o-t-collaboration-with-nab/

⁶² Source: OECD TiVA

^{63 2015} is the most recent year covered in the TiVA time series. This is because preparing the harmonised input-output tables that provide the data for the TiVA project is time consuming, so included time periods are always at least several years in the past.

Value to Australian Final Demand Added By Viet Nam's Goods Sectors

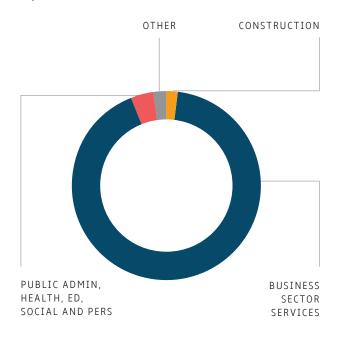


Viet Nam's services exports also add value to the Australian economy. Based on OECD data,⁶⁴ Viet Nam's services exports contributed US\$569.7 million in value-add activity to the Australian economy in 2015.⁶⁵ Most of this value is 'added' to Australian services industries (68%). Business sector services⁶⁶ in Australia are the main beneficiaries - principally wholesale and retail trade, transport, accommodation and food services, followed by Public administration, health, education, social and personal services and construction.

While this value is small relative to other competitors,⁶⁷ it has expanded by over 64% in the ten years from 2005, reflective of the developing nature and size of Viet Nam's services export capability.

Viet Nam's own services industries are driving this value-add contribution to Australia – principally business sector services⁶⁸ – including distributive trade, transport, accommodation and food services; financial and insurance services; and information and communication services. See the chart below. Many of these services are growing in Viet Nam and developing their export capability.

Viet Nam Services Industries Contributing Value-Add to Australian Final Demand, by Value 2015 (US\$ millions)



Source: OECD TiVA Database

This indicates there are strong complementarities and potential opportunities for increasing trade linkages in services between Viet Nam and Australia.

⁶⁴ OECD TIVA database, most recent data for 2015.

⁶⁵ as measured by contribution to final demand – see OCED TIVA database.

⁶⁶ Business sector services include: Distributive trade, transport, accommodation and food services – AU\$193.5 million; Information and communication services – AU\$18.3 million; Financial and insurance services – 10m; Real estate services – AU\$28 million.

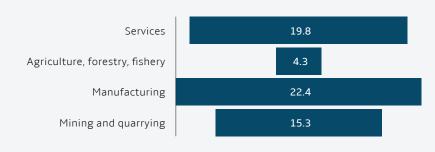
⁶⁷ Mainly OECD (EU, US, UK), North Asian, India, and ASEAN.

⁶⁸ Business sector services comprise: Distributive trade, transport, accommodation and food services – AU\$386.4 million; Information and communication – AU\$31.8 million; Financial and insurance – AU\$63.8 million; Real estate - AU\$25 million; Other – AU\$30.2 million. See OECD TIVA database.

VIET NAM'S SERVICES EXPORTS GROWING AUSTRALIA'S EXPORTS TO THE WORLD

Viet Nam's services are also helping to grow Australian exports to the world across manufacturing, mining and services sectors. Overall, services account for 35% of Australia's gross exports, but they account for 49% of its value added exports, indicating that Australia's exports of goods rely intensively on services inputs. ⁶⁹ The value add of Viet Nam's services exports in gross Australian exports (across all industries) was US\$61.8 million USD (2015), concentrated in manufacturing and services sectors.

Viet Nam Services VA in Australian Gross Exports, Value in US\$ millions, by Sector, 2015



Source: OECD TIVA database, 2015

Opportunities from increased linkages

More investment partnerships, stronger business to business links, and closer economic cooperation can help Viet Nam realise the opportunities derived from value chain linkages, expand trade and investment and deepen its economic relationship with Australia.

Businesses, research institutions and other organisations can: pursue new market opportunities;

explore research and development partnerships; share market intelligence; and develop strategies to leverage shared value chains across regional trading frameworks.

Governments can consider policy actions that: promote closer economic cooperation; reduce non-tariff measures impacting on exports; promote two-way investment; and increase knowledge of partnership opportunities among key industries in both economies.

BOX: ECONOMIC COOPERATION

Cooperation can be promoted at both the central and sub central level involving governments, business and academia. For example, a recently established provincial-level link for fostering closer ties was signed in September last year between the governments of Western Australia and Ba Ria – Vung Tau province, with economic cooperation a key pillar of their Memorandum of Understanding (MoU). The MoU forms part of the State Government's Asian Engagement Strategy 2019-2030.

At the same time, the Australian government has partnered with the Ministry of Science and Technology of Viet Nam to announce a grant of nearly AU\$1.4 million (around US\$1 million) for four high-tech application projects in the field of digital transformation. The projects will be implemented through well-established partnerships between leading universities in both Australia and Viet Nam, together with industry partners and local government agencies.

Source: http://hanoitimes.vn/australia-funds-us1-million-for-vietnams-digital-transformation-projects-318671.html; https://www.mediastatements.wa.gov.au/Pages/McGowan/2020/09/Viet Nam-MoU-to-boost-trade-and-investment-with-Western-Australia.aspx

⁶⁹ OECD Services Trade Restrictiveness Index (STRI): Australia 2019 at https://www.oecd.org/trade/topics/services-trade/documents/oecdstri-country-note-australia.pdf

vi. Mapping opportunities for enhanced Viet Nam - Australia trade and investment

As demonstrated by the previous analysis, there are opportunities for Viet Nam and Australia to expand trade and investment and build economic partnerships in a broad range of areas. These are evident across all areas of the economy, including

resources and energy, agriculture, manufacturing and services.

The map below indicates opportunities revealed by the analysis and consultations undertaken for this report. It is not intended to be exhaustive, but rather demonstrative of the relative depth and breadth of areas where there is potential to expand trade and grow mutually beneficial partnerships.

Sector	Industry	Viet Nam exp	ort readiness	Australian opportunity		
		Exports growing/ significant	Capability	Low barriers to trade & investment	Market/growth potential	Economic complementarity
Resources and	Fuels	L	L	Н	L	н
energy	Renewable energy	М	M/H	Н	Н	Н
Agriculture	Seafood	Н	Н	М	М	М
Manufacturing	Electronic manufactures	Н	Н	Н	М	Н
	Textiles, clothing and footwear	Н	Н	М	М	Н
	Furniture	Н	Н	М	Н	Н
	Processed food	L	М	Н	М	М
Services	Digital (SAAS- software as a service)	L	М	Н	Н	М
	Distributive trade	M/H	Н	М	M/H	Н
	Travel/tourism	Н	Н	Н	М	Н
	Education	Н	Н	Н	М	Н

Red - opportunity is ranked low (L); Blue – opportunity is ranked medium (M); Orange – opportunity is ranked high/medium (M/H); Green – opportunity is ranked high (H).

Annex 2 - Resource Compendium

This Compendium collates some of the resources for companies to use in their research or to provide practical support to help create a clear pathway to the Australian market.

What business needs to start operating offshore in Australia:

- information about markets and industry trends in Australia to support development of export or investment plans,
- access to government agencies with general information on requirements and market information.
- introductions to potential international partners, buyers, and other in-market contacts,
- referrals to service providers for specialist advice on the process of establishing a business in Australia,
- support to identify market opportunities, promotion, and marketing in Australia etc.

The architecture of support services is often not well understood by firms, often seeming confusing, time-consuming, and impenetrable. Companies wishing to export to Australia can:

- approach Viet Namese trade and export promotion agencies and government departments for assistance in Viet Nam
- access the Vietnamese Embassy and Trade Office representatives in Australia for assistance inmarket.
- access general information online about Australian requirements from Australian Government sources
- work with specialist private sector service providers on practical arrangements (import and customs agents)

Potential investors interested in Australia can:

- coordinate with necessary regulators in Viet Nam
- access support from the Department of Foreign Affairs, Austrade and State Government and Territory Investment facilitation agencies
- engage private sector advisors to shape investment plans and guide them through processes in Australia.

Viet Nam resources: the following policies, portals and services were identified during the research for this report to support companies trade more and consider offshore investment opportunities.

Ministry of Industry and Trade (MoIT) provide a FTA portal as a resource for exporters and importers of goods and services looking to explore the benefits of Viet Nam's current free trade agreements, and how to apply for preferential treatment under those FTAs. The portal will allow online access to tariff commitments, rules of origin, services, and investment under FTAs; data and characteristics of markets engaging in an FTA with Viet Nam, required procedures for imports/exports, licensing; action plans to implement FTAs; legal documents issued by regulators; conferences, seminars, training courses, and publications to support businesses. (https://fta.moit.gov.vn/)

Viet Nam Trade Promotion Agency (VIETRADE) is responsible for regulation of trade and investment promotion, and provides services to assist Vietnamese and foreign enterprises. (http://www.vietrade.gov.vn/)

The Ministry of Planning and Investment (MPI) (www.mpi.gov.vn) oversees regulation of Viet Nam's outward investment. Vietnamese investors require authorisation to invest abroad, including in Australia. Viet Nam regulates outward investment from the country to 'balance financial resources between Vietnamese enterprises investing abroad and high demand for domestic investment while ensuring that outward investment is in line with other national regulations and commitments.'

Investment abroad by Vietnamese-based enterprises is governed by the Law on Investment 2020 and Chapter VI of Decree No.31/2021/ND-CP of 26 March 2021 regulating some articles of the Law on Investment. Authorisation procedures apply to conduct FDI in another country. Investors need to obtain an outward investment registration certificate (OIRC) from the Ministry of Planning and Investment (MPI), and, depending on the scale of the project, may need to seek prior approval from the Prime Minister or the National Assembly of Viet Nam.

Projects with outward investment capital above VND20 billion (approximately US\$ 864,000) and those requiring special policies are subject to the approval of the National Assembly based on a report by an Appraisal Council established by the Prime Minister. Outward investment projects in banking, insurance, securities, journalism, broadcasting, telecommunication, and real estate above VND 400 billion (approximately US\$17.2 million) and projects in other sectors exceeding VND 800 billion (approximately US\$34.5 million) are subject to the approval of the Prime Minister. Individuals can invest abroad according to the provisions of Decree 31/2021/ND-CP.

In addition to obtaining the OIRC, the Vietnamese investor must also open a direct investment capital account in an authorized financial institution in Viet Nam through which the direct investment will be made. Periodically, the SBV stipulates the provisions of foreign currency loans available for outward investments, according to its monetary and foreign currency management policies. Quarterly and annual reports prepared by Vietnamese investors, according to Article 73 of the Law on Investment, are the means used to monitor the implementation of outward investment.

Trading by Vietnamese companies in Australia is supported by the Viet Nam Embassy and Trade Offices in Australia:

Viet Nam Embassy Australia

Ambassador:

His Excellency Mr NGUYEN Tat Thanh. Ambassador of Viet Nam 6 Timbarra Crescent, O'Malley, ACT, 2606, (61-2) 61694916, vembassy@iinet.net.au, https://vietnamembassy.org.au

Viet Nam Trade Office in Australia:

9 Poate Road, Centennial Park NSW 2021, tel (61 2) 9356-4869,

vntrade@bigpond.net.au / au@moit.gov.vn Contact – Nguyen Phu Hoa, Head of Trade Office, attending the 25th celebration of Australia Vietnam Business Council.

Resource include instructional videos, news and alerts, trade promotion and partnering events and tools including apps.

http://vietnamtradeoffice.net/lien-he/

Consulate General of the Socialist Republic of Viet Nam in Perth, Australia, Mr Quoc Thanh Bui Level 8, No. 16 St Georges Terrace, Perth, WA 6000, Tel: 08-92211158 / 93253642 / 93253645

Mobile: 0470 111 668

 ${\bf Email: vnconsulate.perth@gmail.com\ www.mofa.}$

gov.vn/vnconsulate.perth

Australian resources

Vietnamese companies have options to engage with different tiers of Government in Australia.

For exporters, the most useful Australian sites include:

- Australia.gov.au which provides a gateway to information and services about Australia for foreign business.
- Australia's Department of Home Affairs provides general guidance about importing goods to Australia.
- Importing to Australia: Rules and Regulations

 export laws. Importing and your business |
 business.gov.au
- BICON tool Australian Government's Biosecurity import conditions database for more than 20,000 plants, animals, minerals and biological products. Companies can determine import conditions and if an import permit is required.
- Department of Agriculture, Water and the Environment Importing to Australia for information about BICON.
- Agreement on the supply chain law to ensure human rights and environmental protection in production along GVCs.
- Labelling: Foods produced or imported for sale in Australia, including organic food, must be labelled in accordance with the Food Standards Code developed by Food Standards Australia New Zealand (FSANZ).
- Guidance on how to import agricultural goods https://www.agriculture.gov.au/import/before/ how-to-import
- Guidance on how to import timber https://www.agriculture.gov.au/import/goods/timber
- Australian Standard (AS) 6000–2015 Organic and Biodynamic Products: voluntary standard of requirements for growers and manufacturers labeling products as 'organic' and/or 'biodynamic' in Australia. https://www.standards.org.au/ standards-catalogue/sa-snz/agriculture/ft-032/as-6000-colon-2015
- Visas https://immi.homeaffairs.gov.au/visas/ getting-a-visa/visa-listing/business-innovationand-investment-188
- Significant investor visa https://immi.homeaffairs. gov.au/visas/getting-a-visa/visa-listing/businessinnovation-and-investment-888/significantinvestor-stream
- How Parliament works https://peo.gov.au/ understand-our-parliament/how-parliamentworks/three-levels-of-government/three-levels-of-

- government-governing-australia/
- Austrade Understanding Business Regulation https://www.austrade.gov.au/international/ invest/guide-to-investing/running-a-business/ understanding-australian-business-regulation
- Legal Essentials for business https://business.gov. au/planning/new-businesses/legal-essentials-forbusiness
- https://www.transparency.gov.au/ The
 Transparency Portal is a new repository of public
 information for the Commonwealth. Over time,
 the portal will become the central source of
 Commonwealth corporate information.
- COVID and Travel Information https://www. australia.gov.au/
- Government sites to help market research in Australia – https://business.gov.au/marketing/ research-your-market
- Agriculture Snapshot 2021 https://www. agriculture.gov.au/abares/products/insights/ snapshot-of-australian-agriculture-2021
- Snapshot of commercial fisheries and aquaculture https://www.agriculture.gov.au/abares/products/ insights/snapshot-of-australias-commercialfisheries-and-aquaculture
- Australian tourism Industry www.tra.gov. au and investment monitor www.tra.gov.au/ data-and-research/reports/tourism-investmentmonitor-2019-20/tourism-investmentmonitor-2019-20
- Clean energy sector www.cleanenergycouncil. org.au/resources/resources-hub/clean-energyaustralia-report
- SMEs in the Australian Economy www.asbfeo.gov. au/sites/default/files/Small_Business_Statistical_ Report-Final.pdf
- Market Guides Australia Food & Beverage Industry market overview Australia (flandersinvestmentandtrade.com)
- Export guides for international seafood markets Sea fish
- Importing furniture to Australia https://www. icecargo.com.au/import-furniture-australia/

For investors: In summarised terms, Australia regulates inward foreign investment through a range of mechanisms, to balance the economic benefits of foreign investment against the risks, and to maintain community confidence that foreign investment is in the national interest.

Australia has a foreign investment screening regime that applies to certain investments above monetary thresholds. This policy requires foreign investors to notify the Treasurer of proposed foreign investments that meet certain criteria, who can prohibit these

investments, or apply conditions to the way they are implemented, to ensure they will not be contrary to the national interest or national security (as applicable).

All foreign acquisitions that exceed prescribed monetary thresholds are subject to screening under a 'national interest test' or a narrower 'national security test'. Most investments will be assessed under the national interest test, provided they satisfy the monetary and control thresholds described above. Certain investments that do not meet these thresholds but nonetheless pose national security concerns may still be screened under the national security test.

The Treasurer considers whether there is evidence the relevant investment is contrary to Australia's 'national interest', or national security, or if the Treasurer takes no action they are deemed approved after statutory time periods. If the Treasurer forms the view that the foreign investment is contrary to the national interest or security, the Treasurer can:

- · make an order to prohibit the investment going ahead
- allow the investment, but impose conditions
- · order disposal of the investment if it has already gone ahead.

However, the general presumption is that foreign investment is beneficial, given the important role it plays in Australia's economy. For this reason, where risks to the national interest or national security are identified, the more common approach is to approve the investment subject to conditions designed to protect the national interest or national security.

The concept of national interest is not defined in law, but policy documents indicate that, when assessing the national interest, the Government normally takes into account:

- national security, based on assessments from our security agencies
- competition, particularly whether an acquisition may allow control of supply of a product to the domestic market
- the tax and environmental impacts of investments
- the impact on the economy and community, including employees, creditors and other stakeholders
- the character of the investor, including whether they operate on a transparent commercial basis and are subject to transparent regulation and supervision in their home country.

For the national security test, the Government considers the extent to which investments affect Australia's ability to protect its strategic and security interests. It relies on advice from the relevant national security agencies for assessments as to whether an investment raises national security issues. Since 2015, the ATO has been responsible for administering residential real estate assessments. In accordance with the Fees Imposition Act, foreign investors must pay an application fee when notifying the Treasurer of a proposed investment.

Aside from the foreign investment screening regime, there are few investment controls in Australia at the central level. Other policy measures affecting investment include specific foreign ownership restrictions in some sectors and controls on land and property aquistion by non residents. Refer to Annex 1 for details on these policy measures. They are quite specific for example: the Airports Act 1996 limits foreign ownership of some airports to 49 per cent, with a 5 per cent airline ownership limit; and cross ownership limits (where a foreign investor owns more than 15 per cent of Sydney airport) between Sydney airport and either Melbourne, Brisbane or Perth airports.

Australian Support for Potential Investors from Viet Nam

Viet Nam-based Australian Government representatives from the Department of Foreign Affairs and Trade can assist potential investors interested in Australian opportunities.

Contact details for the Australian Embassy and Consulates in Viet Nam:

- Australia's Embassy in Viet Nam https://vietnam. embassy.gov.au/
- Australian Consulate-General in HCMC: https:// hcmc.vietnam.embassy.gov.au/

Austrade has a network of investment specialists to provide confidential support for potential investors to identify potential projects, strategic alliances and advise on the investment approval process.

Initial coordination of all investment enquiries and assistance – Austrade provides a central point of contact to navigate investment services in Australia with representation in Viet Nam to provide guidance in-country and in Vietnamese.

Austrade offices in Viet Nam

- Austrade Hanoi Chancery Australian Embassy No. 8 Dao Tan Street, Ba Dinh District, Hanoi Tel: +84 24 3774 0300
- Austrade Ho Chi Minh 20th Floor Vincom Centre 47, Ly Tu Trong Street, District 1, HCMC Tel: +84 28 3827 0600

Information on the Australian business and regulatory environment – Austrade can help Vietnamese companies understand how to do business in Australia including:

- Guidance at the early stages of the investment decision-making process
- Information on issues such as economic factors, business costs, the taxation regime, ease of doing business, investment regulations, skills availability and immigration
- Advice on Australian business practices and cultural customs
- Assistance and introductions for establishing operations in Australia.

Market intelligence and investment opportunities

- Austrade can advise Vietnamese companies on investment opportunities in Australia by providing:
- Tailored research on industry capabilities and opportunities
- Advice on market developments, trends, and forecasts

- Information on peers and competitors in the Australian market
- Support for Australian subsidiary business proposals to global headquarters.

Identification of suitable investment locations and partners in Australia – Austrade can work with Australian state and territory governments to identify partners and locations for international investors through:

- Comparative information on different Australian locations
- Identification of specific locations and sites, based on your requirements
- Organisation of visit programs and meeting schedules in Australia
- Introductions to specialists and possible partners including local market, industry experts and professional service providers (e.g., legal, taxation); relevant federal, state and local governments, regulatory agencies and authorities; and research and development partnership opportunities and potential business partners.

Advice on Australian government programs and approval processes – Austrade can connect Vietnamese investors to government programs to maximise their investment through:

- Advice on government development programs that may be applicable to your business, including support for skills development, research, and innovation activities
- Advice on government approvals required for your business and help to streamline the relevant processes
- Advice on exporting to third markets through Austrade's trade services to Australian subsidiaries.

Online Austrade Information to Support Potential Investment into Australia

- https://www.austrade.gov.au/benchmark-report/ home/home
- https://www.austrade.gov.au/international/invest
- https://www.austrade.gov.au/international/invest/ investor-guide
- https://www.austrade.gov.au/international/invest/ opportunities
- https://www.austrade.gov.au/international/invest/ investment-specialists
- https://www.austrade.gov.au/international/invest/ guide-to-investing/running-a-business
- https://www.austrade.gov.au/international/buy/ australian-industry-capabilities



The **Australian Tax Office** has an early engagement process to provide investors with certainty around the tax implications of large investments. The service will provide upfront confidence to investors about how Australian tax laws will apply and be tailored to the particular needs of each investor.

Department of Industry on Australia's Science, Technology and Innovation System – **2019 Partnering** with Australia on Innovation, Science and Resource guide, https://www.industry.gov.au/sites/default/files/2018-10/partnering-with-australia-on-science-innovation-and-research.pdf

Australian **State and Territory Governments** also run inward investment agencies to attract and facilitate investment. They provide sectoral information and other information for investors.

New South Wales (NSW)

- **State Profile:** https://www.dfat.gov.au/sites/default/files/nsw-cef.pdf
- NSW: ASEAN Strategy http://www.business.nsw. gov.au/__data/assets/pdf_file/0003/258519/ ASEAN-strategy.pdf
- NSW Key Industry Sectoral Overviews: Advanced manufacturing Advanced technologies Agribusiness and food Arts, culture and creative Cyber security Defence NSW Education Financial and professional services Infrastructure and construction Medical technology Mining and resources Renewable energy and sustainability Space Tourism
- NSW Investment Facilitation https://www. investment.nsw.gov.au/
- NSW Government office in Viet Nam NSW Trade & Investment Office, Australian Consulate General, HCMC, Viet Nam, 20th Floor Vincom Centre, 47 Ly Tu Trong Street, District 1, HCMC, +84 9021 50773 kien.nguyen@austrade.gov.au

Victoria

- **State Profile**: https://www.dfat.gov.au/sites/default/files/vic-cef.pdf
- Victoria: SE Asia Trade and Investment Strategy https://global.vic.gov.au/__data/assets/pdf_ file/0009/327519/12111-DJPR-GV-Southeast-Asia-Strategy_V2-WEB.pdf
- Victoria Key Industry Sectoral Overviews:
 Construction technologies Creative industries
 Defence technologies Digital technologies
 Food and fibre International education Medical technologies and pharmaceuticals Medical research Professional services Retail, transport

- distribution and logistics and postal Space technologies Visitor economy Victoria's racing industry
- Victoria Investment Facilitation: https://www. invest.vic.gov.au/
- Victoria State Government offices in Viet Nam
 - Global Victoria Unit 4616, Level 46 Bitexco Financial Tower, 2 Hai Trieu Street, Ben Nghe Ward, District 1, HCMC, +84 975 042 055 https://global. vic.gov.au/all-offices/se-asia/vietnam

Queensland

- Queensland State Profile: https://www.dfat.gov.au/ sites/default/files/qld-cef.pdf
- Queensland: Trade and Investment Strategy https://documents.parliament.qld.gov.au/ TableOffice/TabledPapers/2017/5517T703.pdf
- Queensland Key Industry Sectoral Overviews:
 https://www.business.qld.gov.au/industries/invest
 : food and agribusiness industry beef industry
 mining and resources tourism industry renewable
 energy supply chain advanced manufacturing
 industry defence industry ICT and digital media
 industry e-health industry
- Queensland's science industry Science investment opportunities
- Queensland Investment Facilitation: http://www. tiq.qld.gov.au/invest/

South Australia (SA)

- SA State Profile: https://www.dfat.gov.au/sites/default/files/sa-cef.pdf
- https://www.stategrowth.tas.gov.au/__data/ assets/pdf_file/0004/186502/Tasmanian_Trade_ Strategy.pdf
- https://www.dpc.sa.gov.au/__data/assets/pdf_ file/0007/47887/South-Australian-Government-International-and-Interstate-Engagement-Bodiesand-Functions-Review.pdf
- SA Key Industry Sectoral: Creative industries
 Education Food and Beverage Health
 Manufacturing Mining Tourism. Aerospace
 Advanced manufacturing Agtech Space Digital
 Infrastructure Health and medical technology
 Machine learning and big data Renewable energy
 VFX, VR and AR. https://invest.sa.gov.au/sectors
- **SA Investment Facilitation**: https://invest.sa.gov.

Tasmania

 Tasmania State Profile: https://www.dfat.gov.au/ sites/default/files/tas-cef.pdf

- Tasmania Key Industry Sectoral Overviews: https://
 www.stategrowth.tas.gov.au/business/sectors
 Advanced manufacturing Antarctic and Southern
 Ocean Building and construction Cultural and
 tourism industry development sector Defence
 Food and agribusiness Forestry Information
 communication and technology International
 education Mining and mineral processing Renewable
 energy Science
- Tasmania Investment Facilitation: https://www.cg.tas.gov.au/home/investment_attraction

Western Australia (WA)

- WA State Profile: https://www.dfat.gov.au/sites/ default/files/wa-cef.pdf
- Asian Engage Strategy https://www.wa.gov.au/ sites/default/files/2020-11/asian-engagementstrategy-2019-2030.pdf
- https://www.wa.gov.au/government/publications
 WA government publications, including annual reports, corporate and independent reports, public policy, regulations, standards, guidance, research and analysis.
- WA Kev Industry Sectoral Overviews: www.wa.gov.au
- State Government Investment Facilitation: https:// www.investandtrade.wa.gov.au/

Northern Territory (NT)

- NT Profile: https://www.dfat.gov.au/sites/default/ files/nt-cef.pdf
- https://business.nt.gov.au/publications/strategies/ international-engagement-trade-and-investmentstrategic-plan-2018-2021
- NT Key Industry Sectoral Overviews: Agriculture, forestry and fishing Construction Northern Territory Defence Government and community services Mining and manufacturing Retail and wholesale trade Service industries Tourism
- NT Investment Facilitation: https://theterritory.com. au/invest

Australian Capital Territory (ACT)

- ACT Profile: https://www.dfat.gov.au/sites/default/ files/act-cef.pdf
- ACT: International Engagement Strategy https:// www.cmtedd.act.gov.au/__data/assets/pdf_ file/0006/1541643/CMD-39335-Interntional-City-Strategy_AccPDF.pdf
- ACT Key Industry Sectoral Overviews: https://www. cmtedd.act.gov.au/economic-development/ innovation-industry-investment/key-sectors Space, Defence, Cyber Security and Renewable Energy
- ACT Investment Facilitation: https://canberra.com. au/business/

Private Sector Advisors: Companies considering Australia for trade and investment require information on a wide range of matters, from regulation, taxation, intellectual property, employment and industrial relations, immigration, privacy, director's duties, options for business structuring, mergers and acquisitions, and export and import requirements. This report is not intended to be a commercial guide but some leading sources of expertise on such matters are indicated below including free and paid services provided by legal and other professional advisers advise firms on Australia, for example:

Minter Ellison: Doing Business in Australia Guide: An overview of Australia's business rules, from foreign investment guidelines to taxation, consumer protection, intellectual property and the employment law system. https://www.minterellison.com/articles/ doing-business-in-australia-guide

Baker McKenzie Viet Nam: Doing Business in Australia guide for companies operating in or considering investment into Australia. The revised 2020 edition presents an overview of the legal system and business regulations in the jurisdiction, covering 17 topics. https://www.bakermckenzie.com/en/insight/publications/guides/doing-business-in-australia

Price Waterhouse Coopers: https://www.pwc.de/de/internationale-maerkte/assets/doing-business-in-australia.pdf

Market research reports are produced by commercial organisations, include original research and are often expensive. Some reports focus on a very specific industry segment or product group. Others focus on industry sectors. Most publishers offer their reports for sale via their websites. For example IBISWorld Australia Industry Reports (ANZSIC) 950 sub sector reports in Australia. https://www.ibisworld.com/ au/list-of-industries/ reports on 900+ Australian industries - statistics and analysis of market characteristics and conditions, current and historical performance, five-year forecast and major industry participants. IBISWorld Australia Specialized Industry Reports research reports on niche and emerging Australian industries, including statistics, market analysis, industry players, current and historical performance, and five-year forecast.

End Notes

- ^a Prime Minister Morrison, 2019, Speech to Australian Chamber of Commerce Viet Nam, (www.pm.gov.au)
- b Australia-Viet Nam Enhanced Economic Engagement Strategy
- 1 General Statistics Office (Viet Nam) and Ministry of Planning and Investment statistics
- 2 Austrade, 2021. Why Australia? Benchmark Report, Canberra
- Resources include significant deposits of bauxite, coal, iron ore, copper, tin, silver, gold, uranium, nickel, tungsten, mineral sand, rare earths, lead, zinc, diamonds, natural gas, and petroleum
- The Australian Industry Group AIGroup, 2019. Australian Manufacturing in 2019 Local and Global Opportunities, Sydney, Australia. Department of Industry, www.industry.gov.au/data-and-publications. Australia's Advanced Manufacturing Innovation Centre
- 5 Austrade, 2017. Japan Investment in Australia. Canberra Australia. https://thehealthygrain.com
- The Australian Bureau of Agricultural and Resource Economics and Sciences (ABARES) and State & Territory Departments provide reports on Australia agriculture. ABARES 2021. A Snapshot of Australian Agriculture. Canberra. (www.awe.gov.au/abares)
- 7 Deloitte, 2019. Investment in Australian agriculture: bridging the gap between status quo and ambition, Australia
- 8 Olam Group Company website
- 9 Baosteeel, 2020. The Baosteel-Australia Joint Research and Development Centre (www.bajc.org.au)
- Department of Energy, 2021. Australia's Renewable Energy Sector, Trade.gov.au 2019. Market Intelligence Australia's renewable Energy.
- 11 Treasury Speech 2018. Chinese Investment in Australia. https://treasury.gov.au/speech/chinese-investment-and-australia-forum
- 12 Reuters. Tesla to buy 1 billion Australian battery minerals. 2 June 2021 Forbes. Lithium Deal China and Australia 16 03 2021
- 13 See State Government reports listed in Annex 3 Compendium of Resources
- Department of Industry and Science on Australia's innovation system, leading organisations and their capabilities and examples of lead international industry collaborations in key areas. (www.industry.gov.au)
- 15 DFAT Viet Nam Development Cooperation Fact Sheet
- 16 DFAT Joint Declaration Enhancing Australia-Viet Nam Comprehensive Partnership
- 17 Australia Digital Transformation Agency 2021. Australia and Viet Nam Collaborate media statement
- 18 DFAT 2017. Australian Engagement with Developing Countries Bilateral Relationships at a Glance
- 19 DFAT Viet Nam Development Cooperation Fact Sheet
- 20 DFAT. 2021. Australia's development program to Viet Nam
- ²¹ WIPO 2020. "Viet Nam is among the 50 GII economies that have made the most significant progress in innovation ratings ... with real potential to change the global innovation situation...others can learn from Viet Nam to join the countries constantly going up in innovation."
- ²² MoST & World Bank, 2021. "Science, Technology and Innovation (STI) Report", MoST & CSIRO, 2021 "Technological change in Viet Nam: the contribution of technology to economic growth"
- ²³ Minister Huynh Thanh Dat expressed appreciation of the support by the Australia and the World Bank in producing the STI report and identifying potential initiatives to bring the recommendations to life. (Australian Embassy, November)
- 24 https://www.theclimakers.org/vietnam-technology-and-science-as-drivers-of-farming-activities-in-vietnam/
- 25 https://opengovasia.com/vietnam-australia-launch-ai-cooperation-network/
- https://www.beanstalkagtech.com/ausvietnam-agtech-report, https://research.csiro.au/aus4innovation/new-cool-chain-is-a-key-to-scaling-up-safe-vegetables-value-chain-in-son-la/, https://vietnam.embassy.gov.au/hnoi/MR200917. html, https://news.griffith.edu.au/2020/09/11/developing-an-energy-efficient-sensor-network-for-real-time-flood-monitoring/,
- ${\tt 27-https://en.dangcongsan.vn/economics/australia-supports-vietnam-s-green-recovery-with-6-5-million-aud-586769.html}$
- ${\tt 128} \quad https://vietnamtimes.org.vn/hcm-city-australias-victoria-state-to-establish-twinning-relations-20041.html$
- ²⁹ https /2020/09/Vietnam-MoU-to-boost-trade-and-investment-with-Western-Australia.aspx
- ${\tt 30-https://vietnamtimes.org.vn/da-nang-australias-coastal-city-sign-mou-to-step-up-bilateral-cooperation-21316.html}$
- In 2020 ASEAN shares of Australia's two-way trade, Viet Nam ranks 4th with 15% of total two-way trade behind Singapore (24%) Thailand (22%) and Malaysia (20%). Indonesia has 13%. The Philippines has 3%. Perth USAsia Centre/ DFAFT Trade Statistical Pivot Tables 2020.
- 32 https://www.dfat.gov.au/sites/default/files/australias-goods-and-services-by-top-15-partners-2020.pdf
- 33 https://www.channelnews.com.au/oz-phone-suppliers-look-to-dump-chinese-manufacturing-move-to-vietnam/
- 34 https://vietfishmagazine.com/markets/shrimp-export-to-australia-rose-significantly.html https://vietfishmagazine.com/markets/shrimp-export-to-australia-rose-by-over-80.html
- ABS Australian Standard Classification of Cultural and Ethnic Groups (ASCCEG) reported the 2016 census recorded 3,550,882 residents claiming East Asia, Southeast Asia and Central and Southern Asia heritage.

- 36 https://theculturetrip.com/asia/vietnam/articles/made-in-vietnam-the-countrys-top-10-exports/
- http://vietnamaustraliatrade.net/kymdan-latex-mattress-endorsed-by-osteopathy-australia/ https://www.kymdan.com.au/en/doctor-recommended https://www.kymdan.com.au/en/natural-latex https://www.kymdan.com/bai-viet/bang-gia-san-pham-kymdan.https://www.furninfo.com/Furniture-Industry-News/7945
- 38 Viet Nam Statistics Office https://www.gso.gov.vn/en/px-web/?pxid=E0820&theme=Trade%2C%20Price%20and%20 Tourist
- ³⁹ Australian imports. ABS Cat 5368.0.55.004 International Trade: Supplementary Information, Calendar Year, 2020, Australian imports. ABS Cat 5368.0.55.004 International Trade: Supplementary Information, CY 2019.
- 40 Numbers fell in 2020 due to pandemic related travel restrictions. Viet Nam's growth was exceeded by NZ (36%) India (35.5%). Australia's services imports from the US grew 13% and from China 20.5%.
- 41 Australian imports. ABS Cat 5368.0.55.004 International Trade: Supplementary Information, Calendar Year, 2019.
- Transport services exports fell by 87% 2019-2020; Travel exports fell by 77%. Australian imports. See ABS Cat 5368.0.55.004 International Trade: Supplementary Information, Calendar Year, 2020.
- 43 Linfox Group a leading conglomerate in Australia in aviation, real estate development, transportation, and banking, with extensive investments in Viet Nam, and the owner of Avalon Airport in Australia.
- Personal travel was valued at 1.228b AUD in 2019 (or 96%), business travel 49m (3.8%) and travel for educational purposes 16m. 5368.0.55.004 International Trade: Supplementary Information, Calendar Year, 2020.
- 45 https://www.oag.com
- https://simpleflying.com/bamboo-airways-australia-flights/
- ⁴⁷ Travel 2009–19: Business up 38.7%; Personal 54.1%; Education related 81.2%. 2015-19 Personal up 36.5%; Education related 68.75%. All fell 2019–20: Personal 343%; Education related 340%; Business 544%. ABS Cat 5368.0.55.004 Int. Trade: Supplementary Info. 2020.
- https://www.fpt-software.com/fpt-launches-new-office-in-australias-manufacturing-and-mining-hub/#:~:text=FPT%20 Launches%20New%20Office%20in%20Australia%E2%80%99s%20Manufacturing%20and,to%20extend%20its%20 presence%20in%20the%20Australasia%20region. https://www.channelasia.tech/article/689160/fpt-software-takes-rpa-offering-world-wem-apac-deal/
- https://vietnamcredit.com.vn/news/a-glance-at-vietnams-instant-noodle-market_14535. The Australian. https://www.theaustralian.com.au/subscribe/news/1/?sourceCode=TAWEB_WRE170_a&dest=https%3A%2F%2Fwww.theaustralian.com.au%2Fbusiness%2Faustralian-wheat-exports-to-asia-soar-as-tastes-change%2Fnews-story%2F2eae51ca0326da845403f966f33ab097&memtype=anonymous&mode=premium&v21=dynamic-cold-control-score&V21spcbehaviour=append#:~:text=In%20Vietnam%2C%20the%20humble%20local%20baguette%20or%20banh,Vietnam%20are%20almost%20exclusively%20made%20from%20Australian%20wheat. https://vir.com.vn/vietnams-instant-noodle-giants-54058.html
- https://www.graincentral.com/markets/australian-malting-barley-in-demand-for-vietnamese-beer/#:~:text=Australian%20malting%20barley%20in%20demand%20for%20Vietnamese%20beer,to%20ensure%20 Australia%20maintains%20a%20significant%20market%20share.
- www.austrade.gov.au/international/invest/investor-updates/2020/australian-green-hydrogen-attracts-major-investment-from-japanese-giants www.austrade.gov.au/international/invest/investor-updates/2021/foreign-investment-helping-australia-transition-to-a-green-future www.afr.com/companies/energy/foreign-firms-flock-to-australian-renewable-energy-20200618-p553zj
- 52 UN Comtrade
- 53 Geoscience Australia, 2019, Australia's Identified Mineral Resources (www.ga.gov.au)
- 54 https://www.austrade.gov.au/ArticleDocuments/5572/Australian_Critical_Minerals_Prospectus.pdf.aspx
- $^{55} \quad https://www.pm.gov.au/media/backing-australias-critical-minerals-sector$
- 56 OECD TiVA
- OECD TIVA database, most recent data for 2015.
- as measured by contribution to final demand OCED TIVA database.
- Business sector services include Distributive trade, transport, accommodation and food services 193.5m; ICT services 18.3m; Financial and insurance services 10m; Real estate services 28m.
- 60 Mainly OECD (EU, US, UK), North Asian, India, and ASEAN.
- ⁶¹ Business sector services comprise: Distributive trade, transport, accommodation, and food services 386.4m; ICT 31.8m; Financial and insurance 63.8m; Real estate- 25m Other 30.2m. OECD TIVA database.
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- Accumulated registered outward investment capital. Viet Nam Ministry of Planning and Investment. https://www.gso.gov.vn/en/px-web/?pxid=E0420&theme=Investment. Total accumulated outward investment capital to September 20, 2021, was USD 21,821 million. Vietnam MPI.

- 64 Correspondence from Viet Nam Ministry of Planning and Investment.
- https://vietnamnews.vn/economy/770029/vietnamese-firms-increase-overseas-investment.html The US received US\$690 million whilst Australia attracted US\$400 million
- 66 Viet Nam Ministry of Planning and Investment.
- https://www.hoaphat.com.vn/tin-tuc/hoa-phat-exports-steel-to-australian-market.html, https://www.hoaphat.com.vn/tin-tuc/hoa-phat-exports-steel-to-australian-market.html https://www.hoaphat.com.vn/news/hoa-phat-group-imported-13-000-of-australian-cows-to-vietnam.html https://www.argusmedia.com/en/news/2220618-vietnams-hoa-phat-buys-australian-iron-ore-mine https://www.hoaphat.com.vn/news/hoa-phat---australia--s-largest-trade-partner-in-viet-nam.html https://www.hoaphat.com.vn/news/hoa-phat-is-the-largest-partner-accounting-for-16-of-australian-exports-to-vietnam.html

https://www.hoaphat.com.vn/news/hoa-phat-co-operates-with-four-worlds-largest-iron-ore-mining-companies-in-australia.html

https://www.reuters.com/article/vietnam-hoa-phat-group-iron-idUSL2N2NI08B

https://www.hoaphat.com.vn/news/harmony-hoa-phat-vessel-completed-the-first-voyage-carrying-80-000-tonnes-of-coal-to-the-dung-quat-port.html

https://www.argusmedia.com/en/news/2180571-australian-coal-supplies-to-vietnam-rise-amid-china-banaran and the supplies of t

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- 70 https://vitadairy.vn/en/products/for-baby/vitadairy-colos-fresh-milk
- 71 https://www.dairyreporter.com/Article/2019/11/25/PanTheryx-signs-deal-with-VitaDairy
- ASIC lists the major shareholder of the company as Pham Nhat Vu, the chairman of media company An Vien Group, brother of Viet Nam's only billionaire and head of conglomerate Vingroup, Pham Nhat Vuong.
- ⁷³ Examples included Ket Phat Thinh (KPT) and Red Star Company. https://www.abc.net.au/news/rural/2014-03-18/red-star-agriculture-complex-in-vietnam/5325596 https://www.abc.net.au/news/rural/2014-03-14/vietnamese-importers-spending-big-to-take-australian-cattle/5318012#:~:text=Importing%20company%20Ket%20Phat%20Thinh%20%28KPT%29%20owns%20five,hoping%20to%20take%20a%20lot%20more%20in%202014.
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- https://vietnambrief.com/economy/general/388646-th-group-aims-to-have-200000-cows-by-2025.html https://www.awe.gov.au/abares/research-topics/aboutmyregion
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- https://internationaleducation.gov.au/International-network/vietnam/publications/Documents/Inspired%20 Potential%20-%20FINAL.pdf https://www.tmasolutions.com/TMA-Newsletter-2017.html
- 82 https://www.vingroup.net/en/news/detail/2196/grand-opening-of-vinfasts-office-in-australia
- 83 https://www.channelnews.com.au/oz-phone-suppliers-look-to-dump-chinese-manufacturing-move-to-vietnam/
- https://www.homeaffairs.gov.au/research-and-stats/files/temporary-migration-2018-19.PDF https://immi.homeaffairs.gov.au/visas/getting-a-visa/visa-listing/maritime-crew-988/covid-19-requirements#:~:text=Holding%20a%20 Maritime%20Crew%20visa%20%28MCV%29%20and%20a,days%20of%20your%20arrival%20your%20MCV%20will%20 cease.
- bs https://www.homeaffairs.gov.au/research-and-statistics/statistics/country-profiles/profiles/vietnam
- The categories replaced the Premium Investor, Significant Business History and Venture Capital Entrepreneur visas in 2021
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- https://migration.qld.gov.au/success-stories/business/meet-thi-giang-pham-%E2%80%93-vegetable-farming https://migration.qld.gov.au/success-stories/videos
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- 90 https://minister.awe.gov.au/littleproud/media-releases/seasonal-agriculture-worker-visa
- 91 COVID and Travel Information https://www.australia.gov.au/
- 92 Viet-Aus Trade App https://play.google.com/store/apps/details?id=com.vntrade.vntoapp
- ${\tt 93} \quad {\tt WTO}, \textit{Trade Policy Review} {\tt Australia~2020~(https://www.wto.org/english/tratop_e/tpr_e/tp496_e.htm)}$
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 Research magazine as Australia's top researcher in composite materials for her project on manufacturing fireproof materials to help protect buildings and from being destroyed by forest fires. https://www.aninews.in/news/world/others/vietnamese-lecturer-honoured-in-australia-for-developing-fireproof-material20211116224003/ Dr. Diep N. Nguyen, UTS Co-Investigator of a project on sustainable water systems in Viet Nam, funded by an Aus4Innovation Innovation Grant. Dr Nong Ngoc Duy, PhD, a leading young scientist at the CSIRO working on energy and food security. https://research.csiro.au/aus4innovation/vietnamese-australian-scientists-stepping-up-innovation-in-the-face-of-covid-19/ https://vietnamnet.vn/en/feature/vietnamese-phd-holder-recognized-as-leading-young-scientist-in-australia-732760.html https://en.vietnamplus.vn/vietnamese-scientist-in-australia-honoured-with-sciencetechnology-prize/218283.vnp
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