

AUSTRALIA–VIETNAM ENHANCED ECONOMIC ENGAGEMENT STRATEGY



Australian Government



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Vietnam and Australia share an ambition to boost bilateral trade and investment to support both countries' sustainable, inclusive economic growth. The Strategy and its Implementation Plan set out a vision for how we can work together to strengthen two-way trade and investment.



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THE STRATEGY

The Strategy sets out a vision for how Australia and Vietnam can work together with the aim of becoming top ten trading partners and doubling two-way investment.





THE HON SCOTT MORRISON PRIME MINISTER OF AUSTRALIA

FOREWORD FROM THE PRIME MINISTER

Economic engagement is a pillar of Australia and Vietnam's Strategic Partnership, which is built on the strongest foundations of mutual trust, understanding and respect.

I welcome this Enhanced Economic Engagement Strategy as a statement of our shared confidence in the future of the relationship.

Together, Australia and Vietnam are achieving tremendous things. We share a strong, optimistic and future-focused agenda. We are bound by warm ties of friendship and family that extend across every level of community, government and business.

This Strategy is a manifest recognition of what is possible when we work together. Our mutual commitment to this Strategy will ensure our economic relationship reaches its full potential.

Australia and Vietnam's regional and global economic priorities are similar. We share a commitment to open markets, trade liberalisation and economic connectivity. As we advance our economic interests, we assure the future prosperity and resilience of our peoples, our nations and our region – the Indo-Pacific.

This Strategy brings our economic goals into sharp focus, and sets out the way to deliver our shared ambitions of doubling two-way investment and becoming top-ten trading partners. It celebrates the complementarity of our national economies. The diverse strengths and capacities of one nation meet a need in the other, advancing our mutual progress and prosperity.

Our trade and investment relationship can also further our economic recovery from COVID-19. This begins in new investments in the skills and capacities of our people, and examining anew the opportunities presented by energy and agricultural resources, manufacturing, tourism and education, as well as digital and technological innovation.

As the global economy rapidly transforms, this Strategy will guide both partners towards new, inclusive and sustainable growth and prosperity.

I am delighted to commend this Strategy to the government, business, investment and innovation communities of Australia and Vietnam, and all who will work together to advance its goals.



H.E. PHAM MINH CHINH PRIME MINISTER OF VIETNAM

FOREWORD FROM THE PRIME MINISTER

Since the official establishment of bilateral diplomatic relations in 1973, the friendship and cooperative relations between Vietnam and Australia have developed strongly. On the basis of mutual trust, understanding and respect, we established a Strategic Partnership in 2018 and have continued to strengthen the bilateral relationship across all sectors, in both breadth and depth, of which economic and trade cooperation is an important pillar.

The Australia-Vietnam 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.

The Australia-Vietnam Enhanced Economic Engagement Strategy reflects the responsibility and commitment to comply with the principles of international trade cooperation, in accordance with the laws of two countries, and contributing to the safety, prosperity, and welfare of the Indo-Pacific region, for the interests and happiness of the region's peoples.



H.E. NGUYEN CHI DUNG VIETNAM'S MINISTER OF PLANNING AND INVESTMENT

STATEMENT FROM THE MINISTER OF PLANNING AND INVESTMENT

Over nearly half a century of engagement, Vietnam and Australia have built a strong and practical relationship on the basis of mutual respect and common interests. There has been a strong consensus between the two countries through comprehensive engagement in many fields, especially in economic development, trade, and investment.

The Vietnam–Australia Comprehensive Partnership was established in 2009, strengthened in 2015, and upgraded to the Strategic Partnership in 2018 on the occasion of the two countries' 45th anniversary of diplomatic relations. This is a testament to the shared efforts of both countries' governments and people, who have worked closely together to nurture our bilateral relations.

To meet the requirements of the Strategic Partnership, towards the aim of becoming top ten trading partners and doubling two-way investment, we committed to developing the Strategy to strengthen Vietnam's and Australia's economic engagement.

The fundamentals of the Strategy demonstrate the determination of our governments to promote economic, trade and investment links in key sectors where Vietnam and Australia have particular strengths and great potential, to support the post COVID-19 pandemic economic recovery, and to reaffirm the responsibility of both Vietnam and Australia to implement rules-based global multilateral trade commitments.

The Strategy's Implementation Plan outlines bilateral cooperation activities across eight sectors: (i) education, skills and training; (ii) resources and energy; (iii) agriculture, forestry and fisheries; (iv) manufacturing; (v) tourism; (vi) science, technology and innovation; (vii) digital economy; and (viii) services. Through the implementation of the Plan, the issues of gender equality and the empowerment of women in economic activities will be focused upon and improved.

Success in achieving the common objectives of the Strategy will further enhance the economic position of Vietnam and Australia, contributing to the safety, security and shared prosperity of the Asia-Pacific region.



THE HON DAN TEHAN AUSTRALIA'S MINISTER FOR TRADE, TOURISM AND INVESTMENT

STATEMENT FROM THE MINISTER FOR TRADE, TOURISM AND INVESTMENT

Whether on the streets of Hanoi or Ho Chi Minh City, or on the beef farms of western Victoria, you can clearly see the energy and ambition of our entrepreneurs, producers and investors - an energy that is shared when it comes to our economic relationship.

For the first time, this Strategy brings together an holistic picture that recognises the enormous potential that exists in our economic engagement, and sets out a roadmap that will allow us to reach that potential - in line with the importance of our broader bilateral relationship with Vietnam, and our ambitions for the future. It brings to life a commitment of Australia's and Vietnam's Prime Ministers to double investment and become top ten trading partners.

Both our countries have achieved solid growth over recent decades - and are attractive markets, welcoming of foreign trade and investment. We are partners more than economic competitors. Our supply chains are becoming more closely entwined, meaning together we are exporting to

markets around the world. Therefore the Strategy focuses on key sectors where Vietnam and Australia have particular strengths to build on the trade and investment relationship - education, skills and training; resources and energy; agriculture, forestry and fisheries; manufacturing; tourism; science, technology and innovation; the digital economy; and other services sectors.

Recognising the economic challenges and uncertainty posed by COVID-19, the Strategy includes a focus on economic recovery. In acknowledgment of their importance in achieving sustainable economic growth, the Strategy incorporates principles of inclusion and equality, with particular attention to gender equality and women's economic empowerment. The Strategy also highlights the importance of strengthening the rules-based global trading system as the basis for open international trade and working together to address economic challenges and coercive economic practices.

The accompanying Implementation Plan sets out a series of mutually beneficial, practical initiatives to deepen our trade and investment links across the key sectors. We recognise governments will not be the only actors in supporting the Strategy's aims. Business will be critical in taking our economic relationship to the next level.

The development of the Strategy was informed by economic analysis and consultation with government and industry in both countries. I thank all partners for their valuable contributions. The Australian Government will continue to work closely with all stakeholders as we strive to deepen our trade and investment relationship with Vietnam in the years ahead.

The Strategy

OVERVIEW



United Nations
Climate Change



UN CLIMATE CHANGE
CONFERENCE UK 2021

#TogetherForOurPlanet

Australian Prime Minister, Scott Morrison, and Vietnamese Prime Minister, Pham Minh Chinh, jointly launched the Australia–Vietnam Enhanced Economic Engagement Strategy on 1 November 2021. *Credit: Vietnam News Agency/ Duong Giang.*

Vietnam and Australia share an ambition to boost bilateral trade and investment. Trade and investment between our two countries promotes inclusive economic growth, raises incomes, creates and supports employment and makes products cheaper for individuals and businesses. The time to deepen the economic relationship between Vietnam and Australia is now. This will help our countries recover from the COVID-19 pandemic.

This Strategy and its accompanying Implementation Plan set out a vision for why – and how – we can work together with the aim of becoming top ten trading partners and doubling two-way investment. The Strategy is focused on key sectors where Vietnam and Australia have particular strengths to build on the trade and investment relationship, as well as the greatest potential to assist both countries' recovery from COVID-19 and to achieve the targets of this Strategy.

GLOBAL ECONOMIC AND STRATEGIC CONTEXT

Economic growth in the Indo-Pacific region has re-shaped the global landscape. This region comprises 58% of the world's population, 63% of the world's gross domestic product (GDP)¹ and 46% of the world's merchandise trade². Vietnam, and other member states of the Association of South East Asian Nations (ASEAN) are at the centre of this vibrant region.

The pandemic has had a serious impact on economic activity across the globe. Both developed and developing economies have gone into recession in the worst global downturn since the Great Depression. Recovery from COVID-19, boosting economic growth and creating jobs are key features of this Strategy and Implementation Plan. These will benefit Australia and Vietnam, and contribute to the wider recovery of the Indo-Pacific region.

Recognising that a country cannot achieve sustainable, lasting, economic growth without ensuring all of its population are included and that

COVID-19 has had disproportionate impacts on women and girls, both countries have committed that the Strategy will incorporate principles of diversity, inclusion and equality.

In recognition of the significance of the equitable inclusion of women in the economy, this Strategy will support initiatives that provide opportunities for, and remove barriers to, women's participation and leadership in trade and investment, at all levels and in all sectors.

AUSTRALIA AND VIETNAM'S STRATEGIC PARTNERSHIP

On 26 February 1973, Vietnam and Australia established diplomatic relations. Since then, Australian and Vietnamese people-to-people links have flourished, including through tourism, business, education and long-term migration. There are now almost 300,000 people of Vietnamese ancestry living in Australia and Vietnamese is the fifth most spoken language in Australia. Many Australians have travelled to Vietnam for tourism, others live in Vietnam to build our trade and investment relationship or have migrated to Vietnam with their families.

Vietnam and Australia's bilateral relationship is strong, based on mutual trust, understanding and respect. We established a Comprehensive Partnership in 2009 and elevated the relationship to a Strategic Partnership in March 2018, at which time we committed to deepen the bilateral trade and investment relationship and pursue more open trade and investment through global and regional economic integration. Australia's Foreign Minister Payne and Vietnam's former Deputy Prime Minister and Foreign Minister Minh agreed a Plan of Action for the Strategic Partnership on 5 November 2020, to cover the period 2020 to 2023.

During his 2019 visit to Vietnam, Prime Minister Morrison and former Prime Minister Phuc agreed to develop an Enhanced Economic Engagement Strategy with the aim of our countries becoming top ten trading partners and doubling two-way investment between our countries. This reflects a shared commitment to build on the 2018 Strategic Partnership.



Skylines of the Central Business District, Ho Chi Minh City, Vietnam. Guided by the Socio-Economic Development Strategy (SEDS) 2011–2020, Vietnam's economy grew by an average of 6.2% per year. Photo by Tron Le on Unsplash.

VIETNAM HAS A STRONG ECONOMY, ATTRACTIVE TO INVESTORS

Since the *doi moi* reforms commenced in 1986, Vietnam has achieved remarkable socio-economic growth. Guided by the Socio-Economic Development Strategy (SEDS) 2011–2020, Vietnam's economy grew by an average of 6.2% per year³. During the same period, Vietnam's GDP per capita more than doubled⁴.

Vietnam's economy attracts strong domestic and foreign investment flows. Its rapid industrialisation, geographic proximity to rapidly growing economies, and embrace of trade liberalisation has led Vietnam to become one of the most trade intensive economies in the world. This is demonstrated by improvements in international rankings of Vietnam's competitiveness and ease of doing business:

- Vietnam was ranked 19 globally as a destination for foreign direct investment (FDI) in 2020, jumping five places from 2019 according to the United Nations Conference on Trade and Development⁵;
- Vietnam's ranking in the World Economic Forum's Global Competitiveness Index jumped 10 spots to 67 (the largest jump of any economy in the world) in 2019;
- according to the World Bank's Ease of Doing Business Index, Vietnam rose 12 places from 82 in 2016 to 70 in 2020; and
- ratios of foreign direct investment inflows to GDP (a key positive indicator of the business environment) are among the highest in Southeast Asia — at 6.2% of GDP in 2019⁶.

Vietnam's rapid economic growth has, in part, been underpinned by a progressive women's workforce participation rate. Vietnam has one of the highest female labour force participation rates in the world. As of 2019, some 79% of females aged 15 to 64 years

were in the labour force, compared with 84% of men. This figure has remained consistently high for around two decades⁷.

Notwithstanding almost two decades of a relatively high rate of labour force participation, gender inequalities persist in employment, entrepreneurship and the economy in Vietnam as they do in Australia and other countries.

AUSTRALIA'S ADVANCED ECONOMY REMAINS RESILIENT

The Australian economy has had unprecedented economic growth since the early 1990s, with GDP growth rate averaging 3.2% per year (higher than every other major advanced economy in the world)⁸. This growth has been interrupted only by the impact of the COVID-19 pandemic.

Strong demand for natural resources, energy and agricultural products from rapidly growing economies in the Indo-Pacific, including Vietnam, has been an important driver of economic growth and integration with the region. Increased demand from the region for Australia's education, tourism and other professional services has also contributed to Australia's economic growth. The strength and

resilience of the Australian economy is also based on sound governance and strong institutions.

Australia's economic success is reflected in measures of international competitiveness and ease of doing business:

- as of 2020, Australia is the 13th largest economy in the world, with an annual GDP of almost US\$1.4 trillion⁹;
- 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.

Australia recognises its continued economic success is dependent on ensuring women's workforce participation and women's economic security. In May 2021, Australia's women's workforce participation rate was 61.8% and the gender pay gap persisted, at 13.4%¹⁰.

In recognition of long-standing challenges and those presented by the COVID-19 pandemic, Australia continues to prioritise women's participation in the economy, with a range of measures contained in, for example, the 2020 Women's Economic Security Statement and 2020-21 Women's Budget Statement.



Strong demand for Australia's natural resources, energy and agricultural products from rapidly growing economies in the Indo-Pacific, including Vietnam, has been an important driver of economic growth and integration with the region.

Credit: Australian Department of Foreign Affairs and Trade/Nathan Fulton.

BASELINE TRADE RELATIONSHIP

There is little direct competition in the structure of trade between Australia and Vietnam but instead a strong complementarity, which presents opportunities for further trade cooperation. Over time, as Vietnam has produced a greater range of products in greater quantities, it has become more competitive and attractive to Australian customers. And, as Vietnam's economy has grown and its citizens' standard of living improved, so has its demand for energy, raw materials, food, and education. Both countries have benefited from economic growth, with each country's strengths helping to meet the other country's needs.

Top merchandise imports and exports in 2020 ¹¹	
Australia top imports from Vietnam (A\$)	
Telecom equipment & parts	1.52 billion
Footwear	546 million
Monitors, projectors & TVs	448 million
Furniture, mattresses & cushions	327 million
Crude petroleum	221 million
Australia's top exports to Vietnam (A\$)	
Coal	2.045 billion
Iron ores & concentrates	1.106 billion
Live animals (excludes seafood)	525 million
Wheat	355 million
Aluminium	273 million

Over the past 20 years, the Vietnam–Australia two-way trade relationship has grown on average by 8.6% each year, much faster than the growth in Australia's overall trade (5.8% a year over the past 20 years) and faster than the growth in Australia's trade with ASEAN countries over the same period (5.5%). Total two-way goods and services trade was valued at A\$14.6 billion in 2020¹².

This growth in the value of our trade is reflected in our relative importance to each other as trading partners. Vietnam was Australia's 19th-largest two-way merchandise trading partner in 2000, rising to 13th place in 2020. For Vietnam, Australia was its 14th largest merchandise trading partner in 2020¹³.

Vietnam and Australia merchandise trading partner rank¹⁴

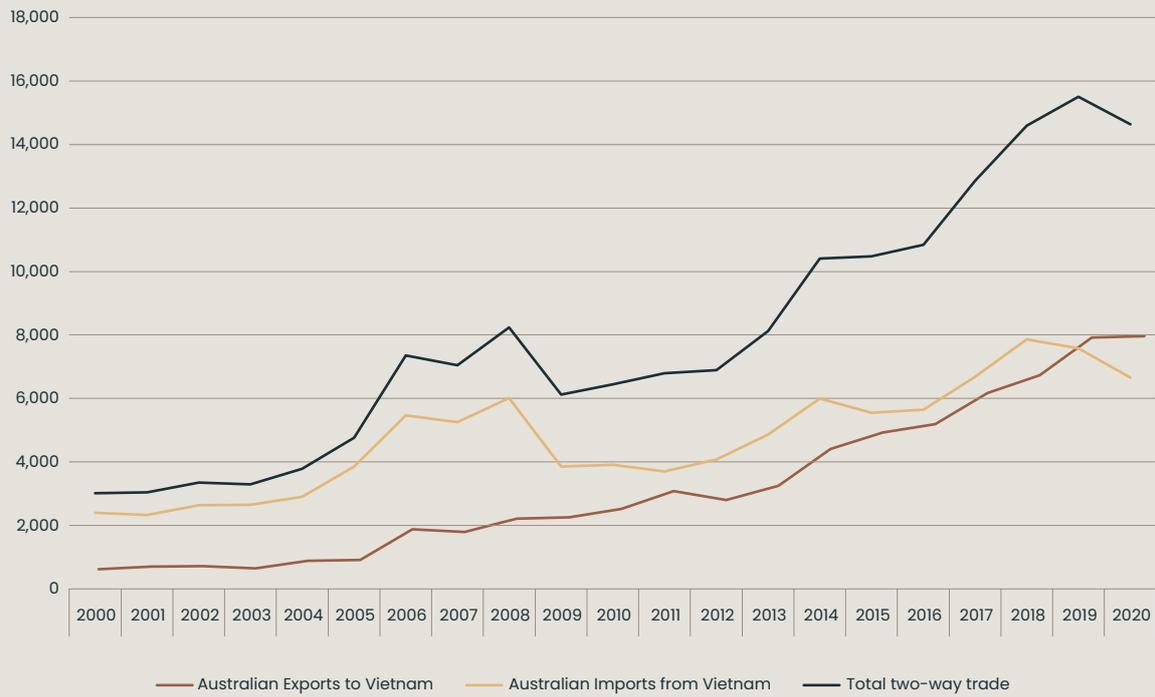
Vietnam's rank in Australia's top trading partners			
2005	2010	2015	2020
16	17	15	13
Australia's rank in Vietnam's top merchandise trading partners			
2005	2010	2015	2020
8	9	16	14

To meet the trade target of this Strategy, our two-way trade will have to continue to grow faster than trade with our other partners. Given the resilience and complementarity of Australia and Vietnam's economies, this target is achievable, supported by an Implementation Plan to further enhance trade and investment in specific sectors.



As Vietnam's economy has grown and its citizens' standard of living improved, so has its demand for energy, raw materials, food, and education. *Photo by Jeremy Simmons on Unsplash.*

Australia-Vietnam Trade (Goods and Services) (AUD million)



Based on ABS trade data on DFAT STARS database, ABS catalogue 5368.0.55.003 and unpublished ABS data.

BASELINE INVESTMENT RELATIONSHIP

Bilateral investment between Australia and Vietnam has also increased, but has room to grow further. The total stock of two-way investment amounted to A\$2.17 billion in December 2020¹⁵. To meet this Strategy’s targets, the stock of two-way investment will need to double to A\$4.36 billion.

Vietnam’s investment in Australia (both direct and portfolio) increased five times, from A\$155 million in 2008 to A\$785 million in 2020. Investment grew strongly between 2010 and 2014, after the ASEAN–Australia–New Zealand Free Trade Area (AANZFTA) entered into force¹⁶. In 2019, Vietnamese investors invested more in Australia than in any other country¹⁷. Significant Vietnamese investors in Australia include Hoa Phat and TH Group in live cattle.

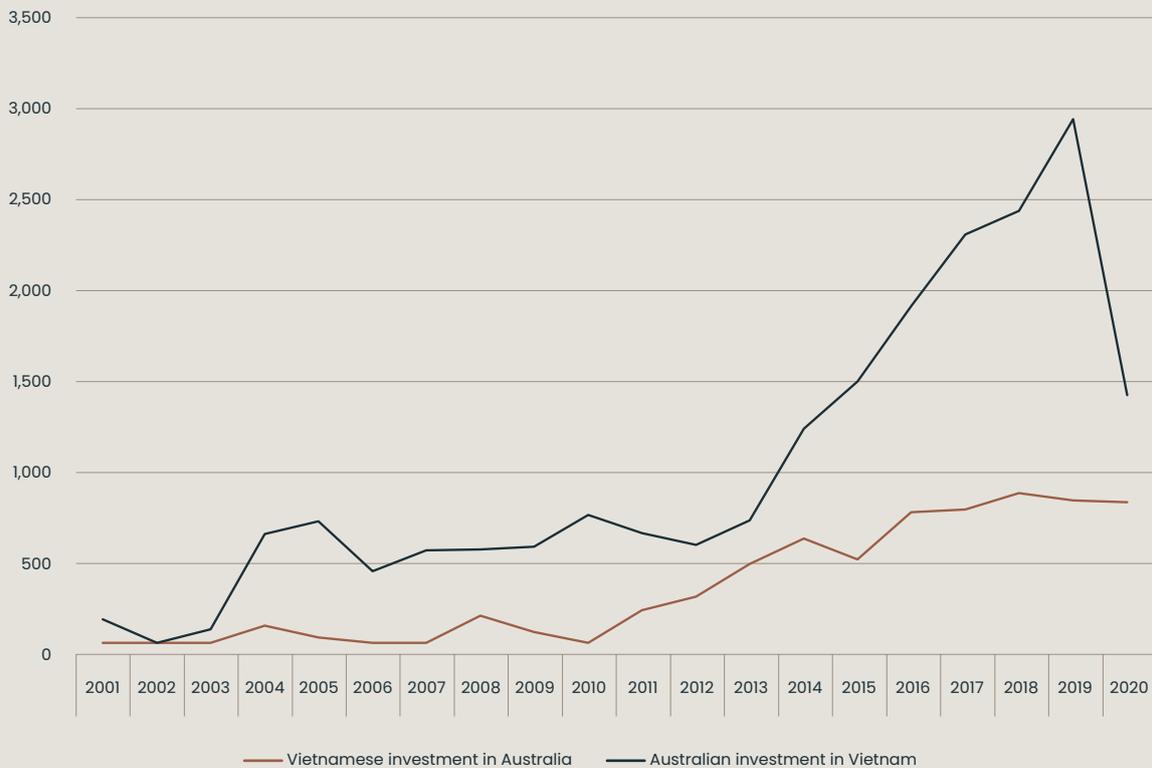
As of December 2020, Australia’s investment in Vietnam totalled A\$1.38 billion, (accounting for 0.51% of total registered investment in Vietnam and ranked 20 out of all countries with investment in

Vietnam)¹⁸. Australian investment is concentrated mainly in manufacturing and processing industries; food services; agriculture, forestry and fisheries. Prominent Australian investors in Vietnam include Austal, Blackstone Minerals, BlueScope Steel, CBH Group, LOGOS, Linfox, Mavin Group, RMIT University and SunRice.



Australian Ambassador Robyn Mudie and Consul-General Julianne Cowley visit SunRice facilities in Vietnam – a major Australian investment.

Australia–Vietnam Bilateral Investment (stock, AUD million)



Source: ABS Cat. No. 5352.0 – International Investment Position, Australia: Supplementary Statistics, 2020

DEVELOPMENT COOPERATION TO SUPPORT BILATERAL TRADE AND INVESTMENT

Vietnam has sought to effectively mobilise financial resources for development, including official development assistance (ODA). With ODA of A\$78.9 million in 2020–21, Australia is an important partner in supporting Vietnam's economic integration and reform agenda.

Aus4Reform – the Australia Supports Economic Reform in Vietnam Program – makes a positive impact on economic activities by improving the business environment and facilitating business production in Vietnam.

Aus4Innovation – the Australia–Vietnam Innovation Partnerships Program – has strengthened the capacity of Vietnam's national innovation system to build resilience in the agriculture and food sector, and helped Vietnam's economy to grow to meet the challenges of a digital future.



A shrimp farm in the South of Vietnam where Aus4Innovation supports a project to monitor water quality for aquaculture farming.

The Australian Government has also worked with financial institutions like the World Bank and Asian Development Bank (ADB) to further improve Vietnam's socio-economic development. The iconic Cao Lanh Bridge Project, co-financed by Australia in

collaboration with ADB, has helped to boost private sector investment and local industry by removing a critical transport bottleneck and connecting exporters with major markets in Vietnam, Cambodia and Thailand.

Australia's Aus4Skills human resource development program partners Australian and Vietnamese experts to develop a sustainable industry-led skills development model in Vietnam, which will equip technical and vocational education and training graduates with the competencies for working in the logistics sector to improve Vietnam's workforce productivity.

Australian Government funded scholarships for Vietnamese citizens will continue to build enduring institutional and people-to-people partnerships and pursue solutions to shared national and regional challenges.

The Australian Alumni Program in Vietnam supports alumni of Australian education institutions to contribute to the development of their sector, community and country and strengthen their links with Australia. Australian alumni in Vietnam better understand Vietnam's business environment and open doors for Australian businesses in Vietnam.

Australia's development cooperation with Vietnam includes a strong focus on increasing women's economic empowerment, with support for women's participation in the labour market and global value chains. For example, the Aus4Equality initiative supports Vietnamese farmers, logistics providers and tourism operators to revive and improve their livelihoods, especially for businesses led by women and people from minority groups and through the ILO-IFC Better Work Programme, Australia furthers the right to decent work by supporting labour standards and women's economic empowerment for the predominantly female workforce in Vietnamese garment factories.

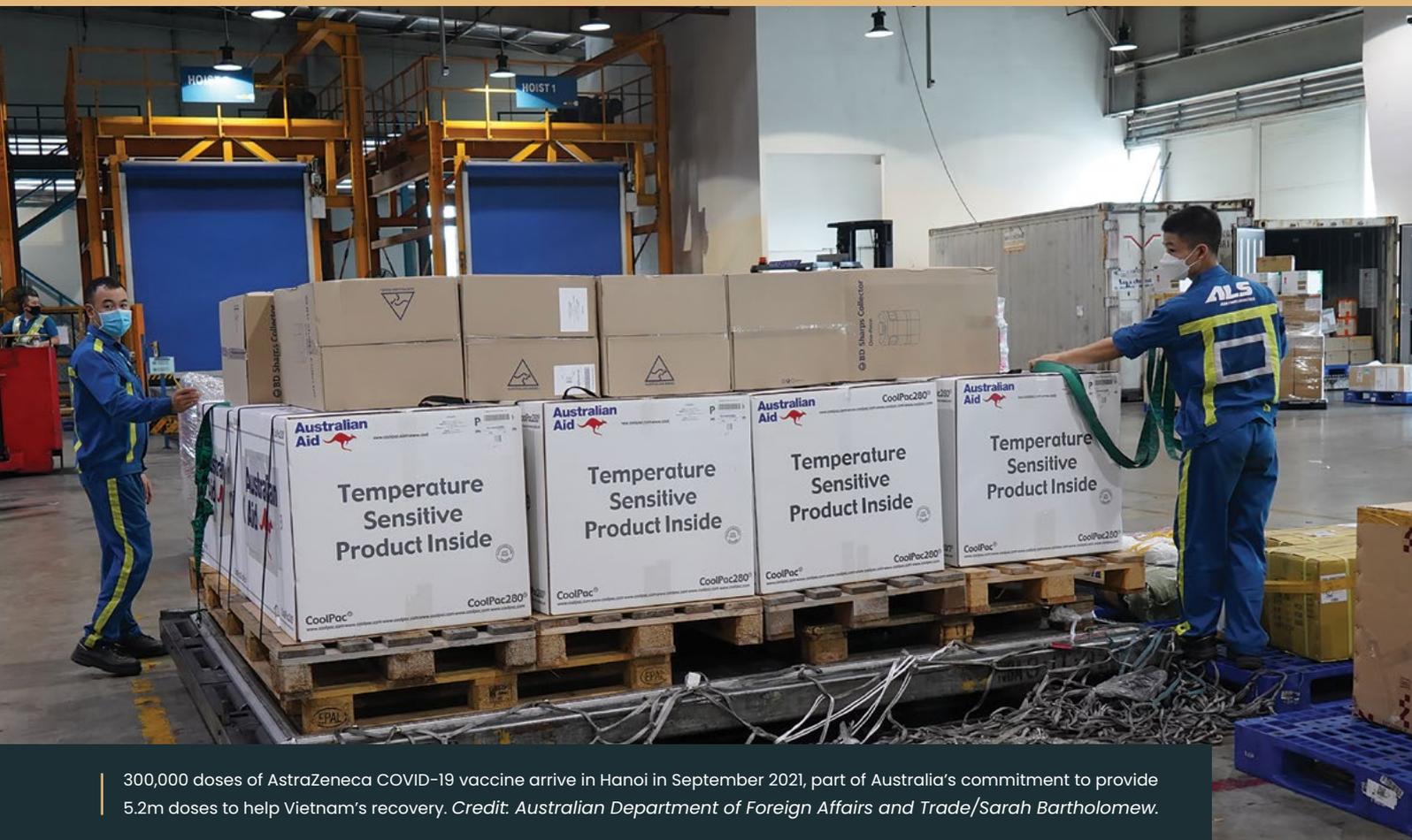
Australia's broader development cooperation with Vietnam also supports, among others, Vietnam's efforts to strengthen its health security and systems, increase awareness of human rights standards, bolster its institutional capacity and train future leaders. These efforts, in turn, help to reinforce Vietnam's social and economic resilience and stability.



The Implementation Plan for this section is at page 51.

The Strategy

COVID-19 EARLY RECOVERY



300,000 doses of AstraZeneca COVID-19 vaccine arrive in Hanoi in September 2021, part of Australia's commitment to provide 5.2m doses to help Vietnam's recovery. *Credit: Australian Department of Foreign Affairs and Trade/Sarah Bartholomew.*

The COVID-19 pandemic caused an economic shock globally, but it affected every country and market sector differently. Global value chains have been disrupted by the shortage of input supplies and by the interruption of production and business processes. Lockdowns, quarantine and travel restrictions put in place to protect lives and prevent the spread of COVID-19 have disrupted established trade and investment patterns.

Sectors with a high dependence on the international movement of people — like tourism, education and airlines including air freight — have been particularly affected. Travel between Vietnam and Australia has virtually stopped, affecting two of the top ten exports by putting a halt to tourism (affecting Vietnam's tourism exports to Australia) and preventing new students from travelling to start courses (affecting Australia's education exports to Vietnam).

Women and men have also experienced the pandemic differently. Women in both Australia and Vietnam experienced greater economic insecurity than men, due to the compounding of pre-existing gender inequalities and the nature of the impacts of the pandemic. This included, for women (and girls), higher rates of job loss and income reduction, an increase in their unpaid care and domestic work, rises in the risk and rates of violence, and reduced access to essential services¹⁹.

THE COVID-19 PANDEMIC HAS IMPACTED OUR ECONOMIES

For both Australia and Vietnam, GDP growth was lower than the previous trend, but through government actions, including stimulus measures, we have been able to keep our economies resilient.

As is the case in many countries, the pandemic initially pushed the Australian economy into recession. Real GDP declined by 7.0% in the June quarter of 2020, the largest quarterly fall on record²⁰. For the year to December 2020, GDP growth in the Australian economy fell by 1.1%²¹.

Vietnam's attractiveness as an investment destination, due to many years of economic reform and economic integration, supported its COVID-19 response efforts and achievement of positive GDP growth of 2.9% in 2020²². Vietnam was one of only a small number of countries in the Indo-Pacific to achieve positive economic growth in this period.

COVID-19 HAS SPURRED INNOVATION IN DIGITAL TECHNOLOGY

Partly in response to these disruptions, COVID-19 encouraged a surge in digital innovation. For example, governments in Australia and Vietnam have adopted new technology to assist contact tracers to prevent outbreaks of COVID-19. Businesses have adapted new ways of operating, including to support remote working, adopted new digital tools to enhanced productivity and systems for improving customer service delivery.

These changes have accelerated trends in digital transformation, including Industry 4.0 and the application of digital and automated technology in production and service delivery. In this evolving ecosystem, Vietnam and Australia are presented with opportunities to improve productivity and engage more in services exports.

MANY SECTORS HAVE CONTINUED TO THRIVE

Despite the economic effects of lockdowns and travel restrictions, some categories of trade have continued to thrive. The value of major Australian exports to Vietnam of iron ore and concentrates, aluminium, live animals, wheat and fruit and nuts all grew throughout 2020. Major Australian imports from Vietnam of crude petroleum, crustaceans, seafood, monitors, projectors and televisions, office machines, textile clothing and toys, games and sporting goods also grew in value in 2020²³. Many other new and emerging sectors have also grown throughout this period.

OUR TRADE AND INVESTMENT RELATIONSHIP WILL GROW STRONGLY DURING THE 'NEW NORMAL'

Vietnam's and Australia's early COVID-19 responses worked hard to contain the outbreak. These initial efforts to suppress the virus were effective. Although the emergence of new COVID-19 variants has presented challenges for both countries, consumer and business confidence is cautiously rebounding, and will be further supported by the vaccine rollout underway in both countries. Both Australia's and Vietnam's real GDP and employment have improved. This has also been influenced by an improvement in the global economic outlook, brought about by increasing vaccination levels across the globe and a consequent reduction in restrictions.

A 'new normal' is emerging. The growth potential and strong complementarities in our economies will remain: Vietnam will continue to industrialise and develop, producing goods for the Australian market, and Australia will continue to be a competitive and reliable supplier of commodities and services to Vietnam. Vietnam's strategic investment interest in Australia remains strong, particularly to secure supply, including in iron ore and live cattle. Australian companies remain interested in exploring investment opportunities in Vietnam. These positive fundamentals will be strengthened by new innovations in digital technology and advances in automation through Industry 4.0.

Although a recovery in tourism and education service sectors will lag compared to the recovery in goods trade, both countries will re-emerge as attractive destinations for businesspeople, students and tourists. Reopening travel for tourism, education and work, when it is safe to do so, will further strengthen our respective economic recoveries and continue to build people-to-people links between Australia and Vietnam.



Australian Skills Week in Vietnam. Reopening travel for tourism, education and work, when it is safe to do so, will further strengthen our respective economic recoveries and continue to build people-to-people links between Australia and Vietnam.



Australian Ambassador Robyn Mudie and Consul-General Julianne Cowley admire the APT James, the first vessel constructed by Austal Vietnam. Australian companies remain interested in exploring investment opportunities in Vietnam.

The Strategy

FOSTERING FERTILE BUSINESS AND INVESTMENT ENVIRONMENTS



Caught from Australia's pristine western ocean, consumers in Vietnam can now enjoy Australia's Western Rock Lobster – one of the most sought after seafoods in the world.

Differences in legal and regulatory systems, cultural practices and language present challenges for new market entrants in both countries. Many Australian businesses that are well established in Vietnam thrive, but there is generally a low awareness of the Vietnamese market in Australia and new entrants find it a difficult market to understand. Nevertheless, Australian businesses with a clear-sighted understanding of these challenges stand to benefit from Vietnam's economic opportunities. Ongoing reforms to state-owned enterprises and market-based economic practices will introduce greater competition and open up further opportunities for Australian businesses in Vietnam.

Both Australia and Vietnam welcome foreign investment, subject to appropriate review and regulation. Most new investment coming into Vietnam is being made by companies that are already well established in the market. Vietnamese firms see Australia as a safe, if expensive, market in which to invest.

Building cultural understanding and personal connections is important to success. Australian companies can draw upon Australia's large Vietnamese diaspora to increase their expertise in the Vietnamese language and culture, and to better understand potential opportunities and risks. The growth in number of Australian families living in Vietnam over the last decade should also be seen as a potentially useful asset for the entry of Australian businesses to Vietnam.

The Vietnamese and Australian Governments play an essential role in building awareness of the complementarities of our economies. Austrade and the Vietnam Trade Promotion Agency help individual businesses identify opportunities and suppliers in each market.

Specialist bodies like the Australian Chamber of Commerce in Vietnam (AusCham) and the Australia-Vietnam Business Council (AVBC) represent and promote the interests of businesses operating in each country. Peak business groups like the Vietnam Chamber of Commerce and Industry (VCCI) and the Australian Chamber of Commerce and Industry (ACCI) reinforce this business-to-business architecture, including by drawing on their deep membership bases.

To further highlight the benefits and potential of both market and investment opportunities in both countries, the Governments of Australia and Vietnam appointed Business Champions in October 2021. Champions are responsible for engaging with industry, bilateral business councils and peak bodies and reporting their findings and recommendations to Ministers at the Australia-Vietnam Economic Partnership Meeting.



The launch of Austal in Vietnam. There are many Australian businesses well established and thriving in Vietnam.



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The Strategy

HARNESSING OPPORTUNITIES IN KEY SECTORS



An Australian trainer shows Vietnamese students how to assemble automobile parts during Australian Skills Week, an event promoting vocational education and training.

This Strategy identifies a number of sectors in which Vietnam and Australia have particular strengths, in order to build on the trade and investment relationship. Although there are many other sectors with great potential, the following sectors have greatest potential to assist the recovery from COVID-19 and to achieve the targets of this Strategy:



Underpinning the ability to capitalise on trade opportunities are people-to-people links. Vietnam is a relationship-based market, and Australia and Vietnam enjoy long and deep ties. For continued success, both countries should cultivate ongoing people-to-people links across sectors, to forge new connections and open opportunities for collaboration.

EDUCATION, SKILLS AND TRAINING

Vietnam is a priority education partner for Australia. Our relationship is long-standing and strong, based on mutual trust, understanding and respect. The bilateral engagement on education policy fosters opportunities for trade in education services and enhances Australia's reputation for education excellence. The Australian Strategy for International Education 2021-30, will harness mutual opportunities with Vietnam that will support the long-term sustainability of Australia's education sector, enhance the student learning experience, help to meet our countries' economic and workforce needs and strengthen our people-to-people links.

Australia and Vietnam are committed to working together on education and training for the benefit of our respective economies. Through our active bilateral education cooperation, Australia works to support Vietnam implement reforms in a strategic manner and reduce regulatory barriers for Australian education investment in Vietnam.

Our bilateral engagement also extends to multilateral fora, particularly under the long-term ASEAN Qualifications Referencing Framework project. Australia offers technical expertise to Vietnam (and other ASEAN nations) in developing a national qualifications framework that will facilitate student and labour mobility across borders, to meet skilled labour and economic needs.

TRADE

Prior to the impact of COVID-19, Australia was the fourth largest destination for Vietnamese students studying abroad²⁴. In 2020, in Australia there were close to 30,000 Vietnamese enrolments across our education sectors, contributing to education-related exports valued at A\$1.3 billion in 2020²⁵ and demonstrating the value Vietnamese students place on an Australian education. The quality of Australian educational institutions and the international student experience in Australia are important reasons why many Vietnamese students choose Australia for their studies.

Despite the impact of COVID-19 on the ability to travel internationally, Australian education services providers with an in-market offering have seen steady growth in enrollments at their facilities in Vietnam²⁶.

INVESTMENT

The Government of Vietnam welcomes foreign investment in the education sector which offers opportunities for Australia. Already, a number of Australian universities have invested in establishing a presence or education programs in Vietnam, including RMIT University, Swinburne University, the University of Technology Sydney (UTS), the University of Western Sydney and Monash University.

FURTHER OPPORTUNITIES

As the Government of Vietnam undertakes fundamental and comprehensive reform of education and training, which will further improve the quality of Vietnam's education system and provide opportunities for international partnerships and collaboration, there will be additional opportunities for Australia and Vietnam. Both public and private Vietnamese institutions are actively seeking international partnerships to diversify and enhance their education programs, and Australian institutions are looking to Vietnam as a priority education partner.

Australian education has an excellent reputation in Vietnam. Despite the challenges of COVID-19, Australian education institutions welcome and value the return of Vietnamese international students to Australia, once it is safe to do so.

There is excellent potential for in-market partner universities under Australia's "Start Now, Come Later" international education strategy. For example, in 2020 Vingroup University (VinUni) launched an Orientation Day for Vietnamese students enrolled at the UTS to spend another semester at VinUni Campus.

COVID-19 has also demonstrated the demand for Australian education services delivered in Vietnam. There is considerable potential for further growth by Australian education providers in Vietnam across sectors, including, schools, vocational education and training and higher education, as well as in edtech, online delivery, and transnational education.

There is good potential for Vietnamese and Australian universities to broaden and diversify their relationships, incorporating program delivery, staff and student exchanges and innovation and research collaboration.

As Vietnam's economy grows, new industries are emerging, offering partnership opportunities for Australian providers to develop industry-relevant skills. Increasing linkages and partnerships in



| Australian Skills Week in Vietnam – cooking and cocktail demonstration.

Technical and Vocational Education and Training (TVET) will support these demands, as will opportunities to support Vietnam to develop its ten-year TVET strategy.

The impact of COVID-19 has demonstrated the potential for Australia and Vietnam to collaborate on flexible delivery products like micro-credentials and short courses, which are of increasing importance for building a skilled workforce and supporting economic recovery.

There are new opportunities for Australian qualifications and partnerships which deliver joint articulation for degrees – this flexibility could create further connections and collaboration.

Australia has an excellent reputation in online delivery and in developing strong quality assurance frameworks. Australia looks forward to delivering the joint online and blended pilot courses that will test the efficacy of the framework, as agreed under the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP). Successful delivery of the pilot offers much potential for other Vietnamese institutions wanting to deliver online or hybrid education, in partnership with Australian universities.



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RESOURCES AND ENERGY

Energy security is a major concern for Vietnam's economy, as demand for uninterrupted and affordable energy increases. Vietnam's resources and energy demand has grown quickly over the past decade and electricity demand in Vietnam is forecast to increase at an average rate of 9% from 2021 onwards²⁷. Vietnam aims to become a fully industrialised and modernised country by 2030²⁸ and needs a secure supply of energy resources to meet these goals. At the same time, Australia is well positioned to support Vietnam's energy needs.

TRADE

The Australian resources sector is one of the most technologically advanced in the world, with strong long-term growth potential. In spite of global challenges related to the pandemic, which have disrupted operations across the globe, Australia's resources and energy export values are expected to rise to a record all-time high of A\$310 billion for the 2020-2021 period²⁹. This increase is due to growing trade volumes and strengthening prices.

Australia remains a reliable supplier of Vietnam's energy needs. As an indicator, Australian coal exports have tripled in value since 2017, to A\$2.05 billion in 2020. Energy and resources exports now account for just over half of all Australia's merchandise exports to Vietnam³⁰.

In the resources sector, Australian iron ore exports to Vietnam for steelmaking grew from no trade in 2015 to over A\$1.1 billion in 2020. Australia is a significant exporter of aluminum (A\$273 million), copper (A\$232 million), zinc (A\$143 million) and lead (A\$100 million). These are essential inputs for Vietnam's thriving manufacturing sector³¹.

Vietnam has traditionally been a significant exporter of crude petroleum to Australia.

INVESTMENT

Australia is a desirable, stable investment destination and partner. Australia consistently rates highly as an investment destination. The Fraser Institute, and its 2019 Annual Survey of Mining Companies showed Western Australia as the most attractive jurisdiction in the world for mining investment, with other Australian mining states also performing well.

Vietnamese investment in Australia's resources sector increased in May 2021 with the approval of Vietnamese company Hoa Phat's investment application to acquire an iron ore mining operation in the Northern Territory. The investment will create jobs and add as much as A\$185 million to Australia's annual export revenue.

Australia and Vietnam have agreed to enhance the current bilateral relationship at ministerial and senior officials' levels to support cooperation, trade and investment in this important sector. A variety of mechanisms will be used to enhance government-to-government and business-to-business linkages, with the aim of establishing lasting government and commercial relationships to build energy and resources security for both Vietnam and Australia.

FURTHER OPPORTUNITIES

Australia welcomes further investment from Vietnam in the resources and energy sector. Vast deposits of minerals and primary energy resources exist in proven, underexplored or unexplored sites. Australia's stable market, its proximity to Vietnam and strong economic complementarities make Australia attractive to investors in Vietnam seeking sustainable, long-term returns.

Vietnamese industry demand for Australia's resources exports will grow further. In 2018, Vietnam imported around US\$3.2 billion in value of mining products, of which 17% came from Australia³². Australia has vast supplies of bulk commodities, precious metals, energy resources and critical minerals of a high quality, and there are many opportunities for increased bilateral trade and cooperation.

Australia also has rich stocks of a large number of known mineral resources, including critical minerals, essential to the production of low emissions energy technologies such as electric vehicles, wind turbines, and batteries. Australia also holds significant endowments of other mineral resources that are used in conjunction with critical minerals in these emerging technologies, such as nickel, copper and bauxite for aluminum production.

Opportunities also exist in Vietnam for Australia's technologically advanced and world-leading mining equipment, technology and services (METS) sector. This can assist with exploration in Vietnam's resources sector, introduce new innovations and support Vietnam's energy security needs.

There is also great potential for Australian liquefied natural gas (LNG) exports to Vietnam.

The Government of Vietnam recently revised its generation mix, converting some planned coal-fired power plants to use LNG as a replacement. Australian LNG producers' proximity to Vietnam makes them cost-competitive with other sources of LNG.

conditions for wind energy development. The entire country is located in the tropical belt between the equator and the Tropic of Cancer and Vietnam has high potential for solar energy. There are significant opportunities for Australian companies to invest in Vietnam's renewable energy sector.

Vietnam has excellent potential for developing renewable energy. Vietnam is endowed with a coastline of over 3,000 kilometres and favourable

Australia's Exports of Selected Resources & Energy Commodities to Vietnam (AUD million)



Source: DFAT STARS Database, based on ABS Cat No 5368.0, July 2021 data



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AGRICULTURE, FORESTRY AND FISHERIES

Vietnam is a market of almost 100 million consumers with a rapidly growing middle class and an increasing appetite for premium food and beverages. Vietnamese consumers recognise Australian food and agricultural produce as high quality, premium products.

Australia's multicultural population has fully embraced Vietnamese cuisine. Vietnamese exports to Australia are growing to meet the demands of Australian consumers for a diversity of high-quality food and agricultural produce.

Australia has provided long-term support to develop Vietnam's agriculture sector. Australian technology is being used in Vietnamese agri-businesses, to improve productivity, manage biosecurity risks and assist Vietnam in developing world-class agricultural products. The Australian Centre for International Agricultural Research (ACIAR) Vietnam Strategy 2017–27 supports Vietnam's priorities in food safety, climate change, soil fertility and efficiency of crop-livestock systems, market knowledge and access, increasing value from forests and increasing value from aquaculture.

Further, as women represent up to 60% of the total labour in the agriculture sector in Vietnam³³, Australia – through the Aus4Equality initiative – is

supporting women farmers in Lao Cai and Son La provinces to switch from staple to higher-value crops and improve standards to meet local and international market demand.

Vietnam and Australia hold an annual bilateral agricultural meeting, the Vietnam Australia Agriculture Forum (VAAF), to discuss bilateral agricultural trade and technical assistance in agriculture. Supporting the VAAF are three technical working groups (plant, animal and seafood, and policy) that advance bilateral market access and cooperation agendas.

TRADE

In 2020, Vietnam was the second largest market in ASEAN for Australia's rural exports, valued at A\$1.81 billion. These agricultural exports are essential inputs for Vietnam's value chains, helping to create jobs and raise incomes in Vietnam's food processing sector. Australia's largest food and agriculture exports to Vietnam by value in 2020 included live animals (mainly cattle) (A\$525 million), wheat (A\$355 million), fruits and nuts (A\$145 million), cereal preparations (A\$139 million), beef (A\$119 million), edible products and preparations (A\$103 million) and barley (A\$88 million), among other food and agricultural merchandise³⁴.

In recent years, aquaculture and fruit production in Vietnam have increased and become more export-oriented. Australian consumers now enjoy an increasing variety of agricultural produce and foodstuffs from Vietnam. In 2020, Australia's major



Australia's largest food and agriculture exports to Vietnam included live animals (mainly cattle), wheat, fruits and nuts, cereal preparations, beef, edible products and preparations and barley, among other food and agricultural merchandise. *Photo by David Maunsell on Unsplash.*

imports from Vietnam included fruit and nuts (A\$176 million), crustaceans (A\$119 million), prepared or preserved seafood (A\$115 million), fresh and frozen fish (A\$79 million) and coffee (A\$52 million)³⁵. Vietnam currently has market access to Australia for mango, lychee, longan and dragon fruit, with export volumes growing strongly. Vietnam was Australia's largest overall supplier of prawns and prawn products for 2019 and 2020³⁶.

INVESTMENT

Leeton-based SunRice's investment in a rice processing mill in Vietnam's Dong Thap Province has helped secure rice supply for its established markets, particularly in the South Pacific. This offsets the variable annual rice production in Australia due to fluctuations in water availability.

Consistent with Australia's foreign investment regime, Vietnamese companies are welcome investors in Australia's agricultural sector, helping to create jobs in rural and regional areas. Agricultural conglomerate TH Group, Vietnam's largest fresh milk company, invested A\$130 million in three cattle stations in northern Australia in 2020. AnVien Group invested A\$18 million in a cattle station in the Northern Territory in 2016.

FURTHER OPPORTUNITIES

Australia's growing agribusiness and food sector offers further opportunities for investors in Vietnam looking to expand food and fibre production as well as add value to downstream processing industries. These, in turn, are transformed by manufacturers in Vietnam into higher-value products for export to the region.

There are opportunities for Australia to expand agricultural exports to Vietnam. In 2020, Vietnam imported US\$26.9 billion worth of agricultural products. Only 4.7% of this came from Australia³⁷. For example, Australia's cherries and grapes account for just one fifth of Vietnam's cherry and grape imports, despite their reputation for quality³⁸.

Australia is a promising market for Vietnam's agricultural sector, particularly for tropical fruits and vegetables. In 2020, Australia imported almost A\$800

million worth of agricultural products from Vietnam, but this only represented 3.2% of Australia's total imports from all economies³⁹.

Vietnam offered in-principle agreement in January 2021 to allow market access for Australian-grown peaches and nectarines, pending agreement on audit arrangements. The approval of the Merrifield Irradiation Facility near Melbourne and the Irradiation Center in Hanoi has significantly reduced processing times and costs for both countries' fruit exporters. In early 2021, Vietnam added Australian western and southern rock lobsters to its list of approved live imports.

As Vietnam's agricultural production systems evolve, demand for new technologies and innovations reflective of international best practice will increase. Australia's globally competitive agtech companies and service providers have the potential to support Vietnam in this transition.

Aquaculture research projects continue to improve the operating environment for fisheries. Projects such as the UTS's Rapido will advance fishing practices and promote two-way technological exchange.

An agribusiness forum will help to facilitate the closer engagement between Australian and Vietnamese agribusinesses and foster innovation and technology transfer.



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MANUFACTURING

Manufacturing makes up around a third of Vietnam's GDP⁴⁰ and 85% of Vietnam's merchandise exports⁴¹. The application of advanced technologies through the concept of Industry 4.0 has greatly enhanced the competitiveness of Vietnam's manufacturing sector. Vietnam is now a major exporter in the key sectors of telecommunications equipment, computer parts, footwear and garments.

According to the International Labour Organization's (ILO), in 2019 approximately one-quarter (25.4%) of female employment in Vietnam was in the industrial sector; with almost all of those females (91.2%) employed in manufacturing compared to 54.5% of men⁴². Given their numerical dominance, compared to men, women were adversely affected by the economic downturn in international demand for manufactured goods and order cancellations, although the sector is now rebounding⁴³. This highlights the importance of understanding and addressing gender considerations in engagement with Vietnam's manufacturing sector.

TRADE

Vietnamese manufacturers are a source of an ever expanding range of quality products for Australian consumers. Australia imports a significant amount of telecommunications equipment (A\$1.52 billion in 2020), footwear (A\$546 million), monitors and televisions (A\$448 million), furniture (A\$327 million), office machines (A\$168 million), computers (A\$137 million), prams, toys, games and sporting goods (A\$129 million) from Vietnam, among other products⁴⁴.

Many simply transformed manufactures exports, particularly Australian metals such as aluminum (A\$273 million in 2020), copper (A\$232 million), zinc (A\$143 million) and lead (A\$100 million) are essential inputs for Vietnam's growing manufacturing capacity⁴⁵.

INVESTMENT

To supplement their domestic operations and make the most of Vietnam's comparative advantage in manufacturing, a number of Australian companies have significant investments in Vietnam. These companies are joined by a growing cohort of Australian small and medium enterprises looking to expand and diversify their manufacturing capacity.

Western Australian shipbuilder Austal is capitalising on Vietnam's expertise as part of a strategy to expand its manufacturing operations for commercial vessels at its production facility in Vung Tau province.

Bluescope operates three high-tech steel production plants in Vietnam, servicing many of the country's major construction projects across industrial, commercial and residential sectors.

Dubbo-based Australian construction materials, equipment and service provider MAAS Group has operated a custom-built facility in Dong Nai province since 2019.

FURTHER OPPORTUNITIES

There are a wide range of opportunities to increase Vietnam's manufacturing exports to Australia. In 2020, Australia imported a total of A\$233 billion (by value) in manufacturing products but only A\$5.2 billion (2.2%) of these came from Vietnam⁴⁶. There is significant room for a greater number of Vietnamese manufacturing products to enter the Australian market.

Similarly, there are significant opportunities for Vietnamese companies to invest in Australia's manufacturing sector, to help create jobs and expand economic activity. This could include investment in raw inputs or intermediate goods for supply chains. For example, Hoa Phat's iron ore investment, outlined above, will use Australian minerals to fuel its steel production and manufacturing industry.



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TOURISM

International tourism has been one of the sectors most affected by COVID-19. This has had a disproportionate negative effect on women who make up 54 percent of the tourism workforce globally⁴⁷.

The closure of international borders and suspension of direct flights between Vietnam and Australia has negatively affected tourism operators in both countries. Internal domestic tourism has gone some way to meet this shortfall in both countries.

TRADE

Vietnam has been a growing market for tourism in Australia, with recreational travel worth A\$231 million in 2018 at its peak. It decreased to A\$200 million in 2019, and was hit even harder by the pandemic in 2020⁴⁸. More than 123,000 Vietnamese citizens arrived in Australia in 2019⁴⁹.

Australia is an important market for Vietnamese tourism, because Australian tourists stay comparatively longer and are high spending. In 2019, Australia's recreational travel to Vietnam was valued at A\$1.2 billion⁵⁰. More than 317,000 Australians visited Vietnam in 2019, reflecting Vietnam's popularity among Australian travellers⁵¹.

Vietnam enjoys a positive reputation among Australian travellers. Attracted by its culture, cuisine and natural scenery, growth in Australian tourist numbers prior to the COVID-19 pandemic fueled direct flight plans, with VietJet and Bamboo Airways announcing plans for additional direct flights between Ho Chi Minh City and Australian hubs.

INVESTMENT

Located in the world's strongest tourism region, and the largest global aviation market, Australia offers a secure and stable environment for tourism investors. Vietnamese investors remain interested in Australia's tourism and tourism infrastructure industry.

FURTHER OPPORTUNITIES

The Governments of Vietnam and Australia want to see the re-opening of international borders and the resumption of international tourism, when it is safe to do so. There is good potential for growth, given the strong people-to-people links between both countries.

There is growth potential within specific areas of Vietnam's tourism sector – areas like eco-tourism could take advantage of Australian expertise and could continue to develop in a way that protects the country's natural beauty and enhances socio-economic development.

There are opportunities to increase tourism and hospitality training to ensure repeat tourism. Australian vocational education providers are well placed to assist with training and micro-credentialing for Vietnam's tourism and hospitality sectors.



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SCIENCE, TECHNOLOGY AND INNOVATION

Vietnam and Australia have complementary interests in science, technology and innovation. Innovation will not only be critical for both countries' COVID-19 response, but essential to underpin trade competitiveness and industrial development more generally.

The Australia-Vietnam Strategic Partnership recognises innovation as one of the three pillars (along with economic and security) based on our shared belief that knowledge and innovation will underpin our future sustainable growth and prosperity.

Vietnam has a large appetite for greater international research links, driven by the Industry 4.0 and broader reform agendas. Australian research is highly regarded. Between 2017-20, Australia ranked fifth among countries engaging in joint research with Vietnam.

The Commonwealth Scientific and Industrial Research Organisation (CSIRO) has established an office at the Australian Embassy in Hanoi to drive Australia's innovation and knowledge partnership with Vietnam. CSIRO and ACIAR continue to establish innovation and research partnerships with a range of Vietnamese commercial and government

organisations, which can create platforms for future commercial engagement. Australian universities are also developing commercial and research links with Vietnam to access global markets for research services and commercialisation.

Innovation is a core enabler in the Australia-Vietnam development cooperation relationship. Aus4Innovation – through providing partnership grants for technology commercialisation – assists Vietnam to prepare for a digital future, promote industry-relevant research and technology transfer models, and enhance creative thinking and transferable soft skills through capacity building to fuel an entrepreneurial economy.

VIETNAM

Vietnam is an innovation nation, well placed to seize the opportunities of an increasing digital future, leveraging its core strengths in science and technology. In the 2020 Global Innovation Index, Vietnam ranked 42 and is the best ranked lower-middle income country in the Index⁵².

Vietnam is proactively acting to make innovation central to an enterprise-led socio-economic development strategy. The development of the Science, Technology and Innovation Strategy (2020-2030) framed by a national socio-economic development plan, is placing technology and innovation centre stage in new growth plans. This, in combination with a range of enterprise



| Aus4Innovation builds skills, experience and institutional capacity in science commercialisation.

friendly economic policies, creates the conditions for accelerating the technological upgrade of key sectors that are critical to achieving balanced growth objectives.

Vietnam's research and innovation ecosystem is broad and agencies such as the Ministry for Science and Technology, the National Foundation for Science and Technology Development and the Vietnam Academy of Science and Technology are actively looking to increase their collaboration with Australian partners.

AUSTRALIA

The Australian Government, businesses and the research sector are working to increase the nation's capabilities in science, technology and innovation.

Australia has developed a set of national science and research priorities to increase investment in areas of immediate and critical importance to Australia and its place in the world. The nine priorities are: food, soil and water, transport, cyber security, energy, resources, advanced manufacturing, environmental change, and health.

The National Science Statement sets out the Australian Government's vision for science in Australia and a strategic policy framework to guide future decision making in science.

The Australian Government's Global Science and Technology Diplomacy Fund, announced in 2021, will help support international collaboration with Vietnam.

FURTHER OPPORTUNITIES

Increasing connectivity among researchers, entrepreneurs and high-tech businesses in priority trade and investment sectors, like resources and energy, agriculture, and climate, will stimulate medium-term growth.

For example, improved water management is needed to address water quality and other environmental issues in Vietnam. Australian water supply, management and treatment firms are well placed to assist Vietnam address water management needs.



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DIGITAL ECONOMY

Digital technologies and digital trade are important enablers of economic development and social wellbeing. Promoting access to and safe use of Information and Communications Technology (ICT) and digital technology can expand trade opportunities and improve efficiency and productivity. Enabling inclusive digital trade can be an effective means of increasing trade and investment opportunities and access for women entrepreneurs, including by overcoming restrictions on movement and accommodating unpaid care work⁵³.

Harnessing technological change, adapting to its disruption, and leveraging its opportunities will be vital to economic recovery from COVID-19. COVID-19 has underscored the importance of digital trade to our economies, and has driven an increasingly large number of firms and consumers online. It has accelerated efforts, and dramatically increased the commitments by governments and industry to digitalise.

AUSTRALIA

Australia's Digital Economy Strategy sets out a future for Australia as a modern and leading digital economy and society by 2030. The Digital Economy Strategy aims to build the foundations to expand the digital economy, build capability in emerging technologies and to set digital growth priorities.

Australia is committed to working bilaterally, regionally, and multilaterally to secure quality digital trade rules, help bridge digital divides across the Indo-Pacific region, and to encourage innovative uses of digital technologies to support sustainable and inclusive development.

VIETNAM

Vietnam is focusing on updating its existing trade, manufacturing, and industrial sectors, to accelerate the coming of Industry 4.0. This includes developing a quality workforce to meet development needs, developing digital or e-government, and improving digital infrastructure, including enabling nationwide 5G network coverage.

Vietnam has committed to digital trade rules in its free trade agreements (FTAs), including to support business and traders through cross-border data flows.

FURTHER OPPORTUNITIES

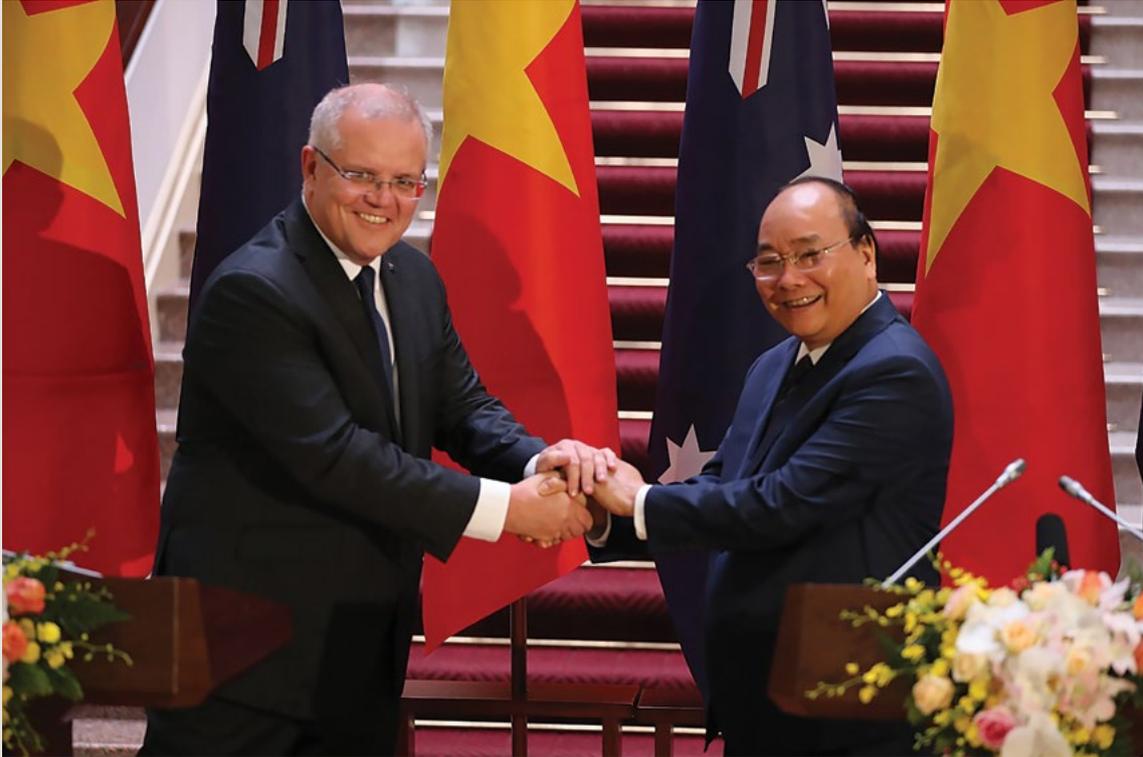
Vietnam and Australia recognise the value of cooperation on digital trade rules. Bilaterally, there is great potential for cooperation in information and communication fields. Promoting the development of an ICT industry backed by future connectivity solutions like 5G/6G and robust cybersecurity measures will fuel economic recovery during the post-COVID-19 period, as part of broader digital transformation agenda.

CSIRO's Data61, the data and digital specialist arm of Australia's national science agency, and Vietnam's Ministry of Science and Technology have developed *Vietnam's Future Digital Economy: Towards 2045*, a report that examines the trends affecting the development of Vietnam's digital economy until 2045. Cooperation, under Aus4Innovation, will also identify areas of complementarity in emerging digital industries.

To advance cooperation in digital trade, Australia and Vietnam have agreed to identify priority areas for digital trade cooperation and develop a workplan for implementation. These priority areas and workplan will be recorded in a Memorandum of Understanding (MOU).

Vietnam and Australia are also well-placed to cooperate on setting interoperable, trusted digital standards in Southeast Asia to ensure emerging technologies are underpinned by human-centred values. Establishing standards that foster interoperability, innovation, transparency, diverse markets and security by design is a key goal of Australia's 2021 International Cyber and Critical Technology Engagement Strategy. E-commerce has been identified as a key joint area for cooperation on cybersecurity standards. The cooperation will build upon both countries' national plans and strategies. This includes Australia's Digital Economy Strategy (outlined above), 2020 Cyber Security Strategy and Digital Transformation Strategy 2018-2025; and the Vietnamese Government's national e-commerce development master plan for the period of 2021-2025 – which aims to facilitate e-commerce development, and for Vietnam to become a top three ASEAN country based on e-commerce turnover value.

Vietnam's Prime Minister has also approved a National Digital Transformation Agenda to 2025, with a vision to 2030. This sets an aspiration for the digital economy to contribute 30% of GDP by 2030. This will open the door to opportunities for experienced and quality Australian services suppliers including in digital health and digital banking services, in particular.



Australian Prime Minister, Scott Morrison, and then Vietnamese Prime Minister (and now President) Nguyễn Xuân Phúc, reaffirm the Strategic Partnership signed in 2018 during the Prime Minister's visit to Hanoi in August 2019



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SERVICES

Efficient service sectors supported by effective domestic regulation are major drivers of economic growth. Encouraging more trade in services through open markets and non-discriminatory treatment can lead to higher employment rates, increased incomes and better standards of living.

Services already make significant contributions to the GDP of both Australia (around 70%⁵⁴) and Vietnam (more than 51%⁵⁵). Vietnam has big ambitions to increase the contribution of its services sector to two-thirds of GDP by 2030, as part of its Industry 4.0 agenda.

The services sector is of particular significance in terms of women's employment. Between 1995 and 2016, women's labour force participation rate in the services sector globally increased from 41.1% to 61.5%⁵⁶. In Vietnam, the services sector is the largest sector of employment of women (at 36.8% in 2019)⁵⁷. In Australia, women also dominate the services sector workforce – in 2019–20, the industries with the highest proportion of women were health care and social assistance (77.9%); education and training (71.6%); retail trade (55.2%); accommodation and food services (54.5%); and administrative and support services (52.9%)⁵⁸.

Services exports have been significantly and negatively affected by COVID-19. At the same time, COVID-19 intensified the uptake and application of digital technologies, online commercial transactions and logistics services.

TRADE

The majority of Australia's A\$1.8 billion services exports to Vietnam in 2019 were education-related travel services or recreational travel services⁵⁹. A number of Australian firms are engaged in accounting, business and marketing, economics, design, financial, legal, medical, training, banking and insurance services in Vietnam.

Vietnam's trade in services remains modest relative to growth in trade in goods. Australia's services imports from Vietnam in 2019 were concentrated in recreational travel (A\$1.2 billion) and transport services (A\$206 million)⁶⁰.

INVESTMENT

Well-known Australian services firms have invested in Vietnam since the Doi Moi reforms in 1986. These include Telstra, ANZ, Allens-Linklaters and QBEinsurance.

Australian firms Linfox, Toll, and TMI Insights are building their investments in Vietnam's logistics sector. Australian real estate group LOGOS is investing US\$350 million to acquire modern, high-quality logistics facilities in Vietnam, aiming to serve a dynamic fast expanding market.

Vietnam's largest software company FPT Software has been present in Australia since 2008. Vietcombank, Vietnam's largest bank, continues to advance plans to establish an Australian branch in Sydney.



Australian firms such as Linfox are building their investments in Vietnam's logistics sector. *Photo by Bernd Dittrich on Unsplash.*

FURTHER OPPORTUNITIES

There is great potential for growth in services trade between Australia and Vietnam, particularly in professional, financial, health, and specialist mining services, as well as in emerging sectors such as in digital services and e-commerce. The privatisation of sectors in Vietnam is opening doors to Australian businesses and new technology.

Demand for professional advisory and corporate governance services in Vietnam, for both state owned enterprises and the emerging private corporate sector, will continue to grow, providing opportunities for Australian professional services companies.

Australian pilot training services had been a growing market prior to COVID-19. Despite the pandemic, RMIT University is still moving ahead with plans to establish a formal pilot training program in Vietnam.

Vietnam aims to boost exports of health services (including 'medical tourism') and education services (including through cooperation with Australian universities – such as RMIT University and Swinburne).

There are opportunities for Australian businesses to tap into the growing Vietnamese services expertise, including in ICT services, to increase competitiveness.

Further, logistics is identified as an important service industry in the overall structure of Vietnam's economy. In the World Bank's 2018 Logistics Performance Index (LPI), Vietnam was ranked 39 out of 160 countries, up 25 places when compared to 2016, ranked third among ASEAN countries and the highest among emerging markets⁶¹. The Government of Vietnam has also set ambitious targets for the sector – for logistics services to represent 5-6% of GDP by 2025, with an annual growth rate of between 15 and 20%, and Vietnam to reach a LPI ranking of 50 or above⁶². There are many opportunities for Vietnamese and Australian businesses to strengthen cooperation in investment, technology transfer and experience sharing in this sector.



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The Strategy

PROMOTING FREE AND OPEN TRADE INTERNATIONALLY



Australia's Minister for Trade, Tourism and Investment Dan Tehan introduces Vietnam's Minister of Planning and Investment Nguyen Chi Dung to a selection of Australian produce available in Vietnam during a visit to Hanoi in July 2021.

Australia and Vietnam recognise the rules-based global trading system as the basis for open international trade based on market principles, in accordance with their World Trade Organization commitments and regional FTAs. Their membership of regional FTAs will lead to most goods traded between Vietnam and Australia attracting very low tariff rates of only 0-5%.

Vietnam and Australia work closely in multilateral frameworks, especially the United Nations and ASEAN-led mechanisms. Australia continues to assert a positive voice, supporting ASEAN's central role and efforts in maintaining peace, security and stability in the region, including ensuring maritime and airway security, safety and freedom of navigation and overflight, promoting the right of states to engage in lawful maritime resource exploitation activities and supporting the peaceful resolution of disputes in the South China Sea in accordance with international law, particularly the 1982 United Nations Convention on the Law of the Sea. These are the basic conditions to ensure the promotion of free and open trade in the Indo-Pacific region. The two countries agree to work with partners to address economic challenges and coercive economic practices.

STRENGTHEN THE RULES-BASED MULTILATERAL TRADING SYSTEM

Vietnam and Australia are WTO Members – Australia since the WTO's creation in January 1995 and Vietnam since January 2007. Australia was an active supporter of Vietnam's WTO accession, including through technical assistance to Vietnam's implementation of its WTO accession obligations.

Australia and Vietnam collaborate in the Cairns Group, which Australia coordinates in the WTO, advocating for ongoing agricultural trade liberalisation.

Australia and Vietnam were both supporters of the 2017 Buenos Aires Declaration on Women and Trade which seeks to remove barriers to, and foster women's economic empowerment, through increasing their participation in trade.

Australia has engaged with ASEAN Members, including Vietnam, and New Zealand in efforts to strengthen regional support for WTO reform. Such dialogue may assist Australia and Vietnam to identify areas of common interest in WTO multilateral negotiations, plurilateral initiatives, and reform.

IMPLEMENTING FREE TRADE AGREEMENTS AND REGIONAL ORGANISATIONS TO WHICH AUSTRALIA AND VIETNAM ARE MEMBERS

ASEAN-AUSTRALIA AND NEW ZEALAND FREE TRADE AGREEMENT (AANZFTA)

The Agreement Establishing the ASEAN-Australia-New Zealand Free Trade Area (AANZFTA) is an agreement between ASEAN Member States (Brunei Darussalam, Cambodia, Indonesia, Laos, Malaysia, Myanmar, the Philippines, Singapore, Thailand and Vietnam), Australia and New Zealand. It delivers extensive tariff reduction and greater certainty for services suppliers and investors. AANZFTA entered into force in January 2010 for both Australia and Vietnam. An upgrade of AANZFTA is currently being negotiated to ensure it remains a modern, high quality agreement that is relevant to business, strengthens regional supply chains, and supports long-term post-pandemic economic recovery.

COMPREHENSIVE AND PROGRESSIVE AGREEMENT FOR TRANS-PACIFIC PARTNERSHIP (CPTPP)

The Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP) is a FTA between Australia, Brunei Darussalam, Canada, Chile, Japan, Malaysia, Mexico, Peru, New Zealand, Singapore and Vietnam. The CPTPP entered into force on 30 December 2018 for Australia and 14 January 2019 for Vietnam.

REGIONAL COMPREHENSIVE ECONOMIC PARTNERSHIP AGREEMENT (RCEP)

RCEP is a regional free trade agreement that will complement and build upon Australia's and Vietnam's existing free trade agreements with 13 other Indo-Pacific countries. It is a modern and comprehensive free trade agreement that covers trade in goods, trade in services, investment, economic and technical cooperation, and creates new rules for electronic commerce, intellectual property, government procurement, competition, and small and medium sized enterprises.

ASIA-PACIFIC ECONOMIC COOPERATION (APEC)

Australia was a founding member of APEC in 1989 and Vietnam joined in 1998. Australia and Vietnam work together across APEC's many work-streams in line with the supportive economic relationship built through AANZFTA, CPTPP, RCEP and our bilateral trade and development work.

SUPPORTING BUSINESS TO TAKE ADVANTAGE OF OPPORTUNITIES FROM FREE TRADE AGREEMENTS

Businesses in Australia and Vietnam are encouraged to effectively leverage these existing free trade agreements. With the support of the Government of Australia, Vietnam launched the Vietnam Free Trade Agreement Portal in December 2020, for businesses to make the most of Vietnam's network of free trade agreements:

<https://fta.moit.gov.vn/>.

Australian businesses are able to discover new trade opportunities through the Australian Government's Free Trade Agreement Portal:

<https://ftaportal.dfat.gov.au/>.



The Implementation Plan for this section is at page 69.

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THE IMPLEMENTATION PLAN

FOR THE PERIOD: 2021-2025

The Implementation Plan outlines areas of practical cooperation in key economic sectors to promote trade and investment between Australia and Vietnam.



On 23 August 2019, Vietnam's then Prime Minister His Excellency Nguyen Xuan Phuc and Australia's Prime Minister the Hon Scott Morrison MP agreed to develop an Enhanced Economic Engagement Strategy ('the Strategy') with the aim of becoming top ten trade partners and doubling two-way investment. They stated that the Strategy would solidify our shared commitment to trade and investment liberalisation and economic connectivity and help both countries take advantage of emerging market opportunities. Both governments recognise the serious economic challenges and uncertainty posed by COVID-19 and have agreed the Strategy will include a focus on economic recovery.

Our two governments agreed that the Strategy will form an annex of the Strategic Partnership signed on 15 March 2018 and link directly to the Plan of Action to Implement the Strategic Partnership for the period 2020 to 2023, signed on 5 November 2020, of which enhancing economic engagement is one of three priority areas. It was also agreed that the Strategy would include practical cooperation that both countries will undertake to reach our shared goal, to be detailed in the Strategy's Implementation Plan.

Herein comprises the Implementation Plan under the Strategy for the initial period of 2021 to 2025, to align with the duration of Vietnam's current National Socio-economic Development Plan. The Implementation Plan is structured in line with the Strategy, and outlines areas of practical cooperation in key sectors and more broadly on promoting trade and investment across both countries' economies.

In recognition of their importance in achieving sustainable economic development, all initiatives under this Implementation Plan will incorporate the principles of inclusion and equality, with particular attention to gender-equality and women's economic empowerment.

The Implementation Plan will be regularly reviewed and updated as necessary through the bilateral Economic Partnership Meeting under the Strategic Partnership and other bilateral

economic architecture. Progress of implementation activities will be reviewed annually through these mechanisms.

Any technical assistance or capacity building provided to Vietnam as part of an initiative under this Implementation Plan will complement and not duplicate assistance provided by other Australian-funded programs, as well as by other partners.



AUSTRALIA- VIETNAM STRATEGIC PARTNERSHIP

To ensure effective implementation of the Strategy and its Implementation Plan and deepen our economic ties, Australia and Vietnam agree to strengthen the high-level architecture underpinning our bilateral relationship.

ACTION ITEM

Strengthen the bilateral architecture to underpin our economic ties and promote the Strategy's objectives

KEY INITIATIVES

- Vietnam and Australia to upgrade the high level bilateral economic engagement through the establishment of regular Trade Ministers Dialogues to be held at least once every two years.



FOSTERING FERTILE BUSINESS AND INVESTMENT ENVIRONMENTS

Differences in legal and regulatory systems, socio-cultural practices and language present challenges for new market entrants in both countries, as does the complexity of business and investment enabling environments. These challenges have a disproportionate impact on micro, small and medium enterprises (MSMEs) and, relatedly, women-led and owned businesses, given women's predominance in smaller scale enterprises. Vietnam and Australia will undertake practical initiatives to promote awareness and uptake of opportunities in each other's markets, streamline regulatory and investment frameworks, and improve the ease of doing business to increase two-way trade and investment, including prioritising MSMEs and women-led/owned businesses.

INCREASE AWARENESS AND TAKE-UP OF OPPORTUNITIES AMONG BUSINESS IN EACH OTHER'S MARKETS

ACTION ITEM

Promote increased awareness and uptake of opportunities in each other's markets

KEY INITIATIVES

- Vietnam and Australia to increase trade missions, business matching and trade and investment promotion activities, including establishing a Memorandum of Understanding (MoU) for referrals between respective Trade Promotion Agencies.
- Vietnam and Australia to support deepening of appropriate trade and investment relationships at the sub-national level, such as between the northern Australia and Vietnamese provinces and cities.

- Vietnam and Australia to establish a Business Champions initiative, where leading business CEO equivalents are appointed by both countries to serve as public champions for Australia-Vietnam trade and investment.
- Australia and Vietnam to support the establishment of a Vietnam-Australia Business Council, as a partnership between the Vietnam Chamber of Commerce and Industry and Australian Chamber of Commerce in Vietnam.
- Australia to host three Australian CEO Roundtables on Vietnam to share lessons learnt and identify opportunities for Australian businesses in or entering the Vietnamese market.
- Australia to develop a report, in partnership with Vietnam, that identifies opportunities for Vietnamese business for trade and investment with Australia, to complement the existing Australian-focused report.
- Australia to establish an Australia-Vietnam Opportunities and Markets Insights bilingual website, to provide an easy reference point for Australia and Vietnamese businesses alike, populated with findings from the CEO Roundtables and the opportunity reports outlined above.
- Australia to deliver sectoral training and education for Australian business to support selected partnerships on industry growth sectors in Vietnam.
- Australia to support the development of an Australia-Vietnam Global Engagement Roadmap to support Australian small and medium enterprises (SMEs) to diversify and expand supply chains in partnership with Vietnamese SMEs, and accordingly integrates gender.

SUPPORT VIETNAM'S ECONOMIC GOVERNANCE AND REFORM EFFORTS

To support Vietnam to continue to improve its business enabling environment and to strengthen reforms towards a more market-based economy, including to improve the ease of doing business for Australian investors and traders, Australia will provide technical assistance through new and ongoing development cooperation.

To ensure transparency, stability, and sustainability in financial markets, and promote greater two-way investment, Australia and Vietnam agree to renew cooperation under the MoU between the Australian Treasury and Vietnam's Ministry of Finance, with a focus on:

- sharing experiences on budget management and fiscal policy;
- sharing Australian expertise on financial market regulation;
- macroeconomic and budget forecasting; and
- macroeconomic stability and other economic reform policies.

Vietnam and Australia will continue economic cooperation to facilitate investment, including through activities that strengthen capacity and awareness of international trade agreements (such as AANZFTA, CPTPP and RCEP) and improve relationships with foreign investors. This will include, as part of the Australian-funded, Mekong Foreign Investment and Critical Infrastructure Initiative, support to Vietnam's efforts to attract productive Foreign Direct Investment (FDI) through:

- sharing experiences in attracting and retaining productive FDI and addressing possible national security risks of foreign investment;
- enhancing the technical skills of officials involved in reviewing foreign investment proposals and investment policy-making;
- providing advice on policy and regulatory reform to better address risks of strategic investment; and
- fostering stronger institutional ties with Australia on issues relating to foreign investment.

In addition, Australia will continue to collaborate to further develop capital markets in Vietnam, in partnership with the World Bank Group through the Joint Capital Market Program, currently funded until 2023.

ACTION ITEM

Support Vietnam's broader economic governance and reform efforts to improve trade and investment enabling environments

KEY INITIATIVES

- Technical assistance to support Vietnam's broader economic governance reform through Australia's new and ongoing development cooperation, with gender equality and social inclusion being mainstreamed.
- Vietnam and Australia to renew cooperation under the MoU between the Australian Treasury and Vietnam's Ministry of Finance to ensure transparency, stability and sustainability in financial markets.
- Australia to support Vietnam's efforts to attract productive FDI through technical assistance under the Mekong Foreign Investment and Critical Infrastructure Initiative.
- Australia to continue economic cooperation to facilitate investment and further develop capital markets in Vietnam, in partnership with regional and multilateral partners.
- Vietnam to ease restrictions on expatriate workforce ratios.

STREAMLINE CUSTOMS PROCEDURES FOR BUSINESS INCLUDING THROUGH DIGITAL TRANSFORMATION

To support Vietnam in digital transformation and technological applications of its customs procedures, and to enhance risk management and supervision, information exchange, and streamlined administrative procedures for businesses of the two countries, Vietnam and Australia agree to implement a program of practical customs cooperation by upgrading the MoU on Cooperation Mutual Assistance in Customs Matters. This will include activities to support Vietnam to increase its acceptance of electronic documents, certification, and signatures for customs procedures and facilitate more timely processing at borders.

ACTION ITEM

Streamline administrative procedures for businesses through support for digital transformation of Vietnam's custom procedures

KEY INITIATIVES

- Vietnam and Australia to upgrade the MoU on Cooperation and Mutual Assistance in Customs Matters as a framework to implement a program of practical customs cooperation.

ACTION ITEM

Support to strengthen Vietnam's competition policy and consumer protection to support businesses and protect consumers' interests

KEY INITIATIVES

- Vietnam and Australia to strengthen cooperation in competition and consumer protection through a program of bilateral cooperation activities between VCCA and ACCC.

STRENGTHEN COMPETITION POLICY AND CONSUMER PROTECTION

To improve competitiveness, support businesses and protect consumers' interests in trade and investment activities, Australia will support Vietnam to strengthen its competition policy and consumer protection through a program of bilateral cooperation activities between Vietnam's Competition and Consumer Authority (VCCA) and the Australian Competition and Consumer Commission (ACCC). This builds upon earlier technical assistance provided by the ACCC to VCCA. The work program, subject to mutual agreement, may include a focus on the consumer law supplement and amendment process, research and publications, and consumer education and empowerment.



EDUCATION, SKILLS AND TRAINING

Vietnam and Australia will continue to expand mutually beneficial cooperation and collaboration in education, skills and training that contributes towards our respective economic growth and labour market needs. This will include efforts to increase Australian understanding of Vietnam's education systems, to support Vietnam with strategically implementing education and skills reforms – including targeting efforts that reduce regulatory barriers for Australian (and foreign) investment in Vietnam's education and training sectors, and increase commercial collaboration between our universities, Technical and Vocational Education and Training (TVET) providers and research partners.

BUILD ENDURING HIGHER EDUCATION INSTITUTIONAL LINKAGES

Vietnam and Australia will support efforts to build enduring relationships between our universities, especially in relation to increasing exchange of students and staff, and collaboration in research and innovation, including to support Vietnam's university governance reform agenda.

ACTION ITEM

Work together to build enduring relationships between Australian and Vietnamese universities, including sharing lessons learnt on university governance

KEY INITIATIVES

- Vietnam and Australia commit to deliver the previously agreed Pilot Program, under the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP) side letter on the Memorandum of Understanding between Australia and Viet Nam to maintain TPP bilateral understandings.
- Australia to establish an Australia-Vietnam University Leaders Dialogue, to bring together Australian and Vietnamese

universities and share expertise in university governance and create further mutually beneficial partnerships.

- Australia and Vietnam to continue to support of the Vietnam-Australia Centre, to bring together influential leaders to pursue policy solutions to shared regional issues, with a heightened focus on advancing women in leadership.
- Australia to establish an Australia-Vietnam Policy Institute, to provide a platform for universities, think-tanks, and businesses to share research and insights on Vietnam.
- Australia to support implementation of Vietnam's Project 89 to provide capacity building and academic training for university lecturers and executives.
- Vietnam and Australia to prioritise an increase in the number of joint bachelor and joint doctoral qualifications on offer in Vietnam.
- Australia to support Vietnam's capacity building in higher education through the Aus4Skills Program for the period 2021 to 2025.

STRENGTHEN VIETNAM'S NATIONAL QUALIFICATIONS FRAMEWORK AND RECOGNITION SYSTEM

Australia will support Vietnam to develop its national qualifications framework and qualifications recognition system to enhance two-way student and labour mobility across borders, and to meet respective skilled labour and economic needs (including for the broader ASEAN region).

ACTION ITEM

Support Vietnam to develop its qualifications framework and qualifications recognition system to enhance two-way student and labour mobility

KEY INITIATIVES

- Australia to continue to support the implementation of the Vietnam National Qualifications Framework through Phase V of the ASEAN Qualifications Referencing Framework initiative.

- Australia to provide practical policy support to Vietnam to further develop its qualifications recognition system, as well as to become a Party to the UNESCO Tokyo Convention on qualifications recognition best principles and practices, including through the MoU between the Department of Education, Skills and Employment and the Ministry of Labour, Invalids and Social Affairs.

SUPPORT DEVELOPMENT OF AN INDUSTRY-FOCUSED TVET SYSTEM IN VIETNAM

Australia will continue to work with Vietnam to support the development of a quality, industry-focused TVET system, including through piloting online delivery and digital technology use to showcase the products and services Australia can offer to Vietnam, and encourage the creation of further partnerships and opportunities between our TVET providers.

ACTION ITEM

Support the development of a quality, industry-focused TVET system in Vietnam, including through online delivery and digital technology use

KEY INITIATIVES

- Australia and Vietnam to undertake a Digital Transformation in TVET pilot program to position Australia and Vietnam as key knowledge partners and create further partnership opportunities between Australian and Vietnamese TVET providers.
- Vietnam and Australia to continue to promote industry linkages with TVET providers, initially in the logistics and allied sectors, through a further phase of the Aus4Skills investment.
- Australia to raise awareness among Australian TVET providers on the conditions required to establish a training college in Vietnam, following issuance of Decree 15 in March 2019.

- Vietnam and Australia to support increased collaboration between Australian and Vietnamese VET colleges, including through delivery of joint qualifications.
- Vietnam and Australia to explore further opportunities for Australian providers to deliver short courses and micro credentials in Vietnam that meet the needs of industry.
- Australia to promote commercial partnerships between Australian providers and Ministries in Vietnam for the virtual delivery of best-practice English language intensive courses for overseas students.
- Australia to connect educators, edtech entrepreneurs and education institutions focused on education innovation through a technology-focused pilot project to explore key trends in each market.

PROMOTE PEOPLE-TO-PEOPLE LINKS THROUGH EASED RESTRICTIONS FOR STUDENTS

Vietnam and Australia will also support initiatives that promote lasting people-to-people links through eased restrictions for students.

ACTION ITEM

Promote lasting people-to-people links between our two countries through easing students' restrictions

KEY INITIATIVES

- Vietnam to implement greater post-study work rights for international (including Australian) students in Vietnam to support internationalisation of Vietnam's education system.



RESOURCES AND ENERGY

Vietnam and Australia will collaborate to enhance government-to-government and business-to-business linkages, with the aim of increasing trade and investment in energy and resources, diversifying markets, commodities and technologies, and ensuring energy and resources security for both Vietnam and Australia.

INCREASE ENGAGEMENT ON ENERGY, RESOURCES AND MINING

Australia and Vietnam to establish a Ministerial Dialogue, to be held at least once every two years, to formalise increased engagement between our two countries on energy, minerals and mining. The dialogue will also include representatives from industry as appropriate, thereby helping to establish government relationships, future business networks and information sharing.

ACTION ITEM

Formalise government relationships, and promote business networks and information sharing on energy, minerals and mining

KEY INITIATIVES

- Vietnam and Australia to establish a Ministerial Dialogue, to be held at least once every two years, with government and industry representatives, as appropriate, to increase engagement on energy, minerals and mining, including focusing on:
 - continued cooperation in coal and gas sectors, including sharing of technology and management practices to ensure environmental protection, as well as facilitating export of coal and minerals from Australia to Vietnam;

- encouraging Australian businesses to invest in the sustainable extraction and processing of natural resources in Vietnam, as well as Vietnamese businesses to invest in the sustainable extraction and processing of natural resources in Australia;
 - exchange information on new developments in the energy sector, such as low emissions technology and clean hydrogen;
 - exchange information and discuss, where applicable, the framework for promoting trade and investment in the energy and minerals sectors of both countries;
 - promoting cooperation in the LNG sector including facilitating investment from Australia in terminal and warehousing facilities in Vietnam and export of LNG to Vietnam; and
 - promoting information exchange, sharing of experiences and technical assistance to Vietnam in the energy sector including regulating electricity operation and monitoring competitive electricity markets.
- Australia to commission an independent feasibility study on emerging resources needs and opportunities in Vietnam and the neighbouring Mekong region, with a focus on coal, LNG and critical minerals.

INCREASE RENEWABLE ENERGY TRADE AND INVESTMENT

Vietnam and Australia will collaborate to develop Vietnam's renewable energy sector, including through encouraging greater use of Australian critical minerals and emerging technologies in supply chains, sharing of expertise and increased investment.

ACTION ITEM

Collaborate to build and strengthen renewable energy sector development, trade and investment

KEY INITIATIVES

- Vietnam and Australia to work together and with other development partners, to strengthen Vietnam's power purchase agreements in line with international standards.
- Australia to support a scoping study on energy and climate change gaps in Vietnam, to develop project proposals for new funding mechanisms, including through the Energy Window of the Australian-funded Partnerships for Infrastructure (P4I) and the Mekong-Australia Partnership (MAP) programs, which will integrate principles of gender equality.
- Vietnam and Australia to explore opportunities to share policy and technical expertise among Australian and Vietnamese government agencies working in the energy sector, including potentially the Electricity Regulatory Authority of Vietnam (ERAV) and relevant Australian energy agencies; and to use P4I's tools – including high-calibre private sector expertise – to complement and support this government-to-government engagement.
- Australia to explore support for Vietnam's Electricity and Renewable Energy Authority (EREA) to support the development of the country's offshore wind sector.

ACTION ITEM

Collaborate to expand METS trade in support of Vietnam's resources sector development

KEY INITIATIVES

- Australia, in consultation with Vietnam, to undertake a feasibility study on opportunities to expand METS markets between Australia and Vietnam and the broader Mekong region.
- Australia, with Vietnam's support, to host industry dialogues to showcase Australian companies' expertise in mining transportation and facilitate commercial arrangements for the exchange of technology and ideas.

EXPAND MINING EQUIPMENT, TECHNOLOGY AND SERVICES (METS) TRADE TO DEVELOP VIETNAM'S RESOURCE SECTOR

Vietnam and Australia will support initiatives to increase the use of Australia's technologically advanced and world-leading mining equipment, technology and services (METS) expertise in the exploration and development of Vietnam's resources sector.



AGRICULTURE, FORESTRY, AND FISHERIES

Australia and Vietnam share a strong, mutually beneficial agricultural relationship which is an important aspect of our broader strategic partnership. Continued agricultural cooperation and increasing two-way agriculture trade and investment will be integral to the future economic development of our respective countries.

To increase agricultural, fisheries and forestry trade between Australia and Vietnam, the two countries will cooperate on agri-business development and facilitate access to each other's domestic markets by negotiating biosecurity protocols and related trading conditions that are risk-based and underpinned by sound science consistent with international obligations. Each country will also work towards removing existing barriers to trade and encouraging two-way investment, including Vietnamese investment into Australia's growing agribusiness and food sector.

The Australian Centre for International Agricultural Research (ACIAR), building upon its long-standing research program and collaborative stakeholder networks, will continue to deepen Vietnamese and Australian agricultural engagement through research partnerships that advance the prosperity of Vietnam's rural industries and livelihoods, as well as inclusion and equality.

FACILITATE MARKET ACCESS

Through the Vietnam Australia Agriculture Forum (VAAF), which is the key mechanism for senior officials to engage on agricultural issues, Australia and Vietnam will pursue constructive dialogue on trade and market access requests.

The three working groups supporting the VAAF: Vietnam-Australia Animal and Seafood Market Access Working Group, Vietnam-Australia Plant Market Access Working Group and Vietnam-Australia Policy and Technical Assistance Working Group help take forward technical issues that underpin market access and capacity building.

Australia will deliver capacity building programs to Vietnam to support and facilitate its market access

requests, including to ensure that Vietnamese businesses can best meet Australia's import conditions.

ACTION ITEM

Work together to expedite bilateral market access negotiations, enhance intergovernmental collaboration, and forge stronger commercial ties

KEY INITIATIVES

- Vietnam to prioritise market access negotiations for Australian peaches, nectarines, blueberries, plums, honey, white offal, kangaroo, and deer meat into Vietnam.
- Australia to prioritise market access negotiations for fresh passion fruit, rambutan, star apple and whole shrimp from Vietnam.
- Vietnam and Australia to collaborate on e-certification to increase mutual acceptance of electronic documentation.
- Expand wine trade between Australia and Vietnam through Vietnam's commitment to participate in the World Wine Group, remove pre-registration and self-assessment requirements, ease advertising restrictions and reform of its luxury tax regime.
- Expand Australian rural commodity exports to Vietnam through technical market development partnerships focused on Vietnamese agribusiness supply chains, including product assurance, safety, quality, integrity and supply-chain resilience.
- Australia to assist Vietnam to simplify government regulations for approvals, including for food imports and food labelling requirements.
- Australia to support Vietnam's feedlot industry to align with international best practice, uphold animal welfare practices and improve product competitiveness, including through new capacity building initiatives.

- Australia to support Vietnam's development of legal export chains for forestry products manufactured using imported Australian raw wood.
- Vietnam and Australia cooperate and promote Vietnam and Southeast Asian phytosanitary irradiation pathways, including through capacity building initiatives.
- Australia to support Vietnam's on-farm responses and laboratory testing capacity through delivery of prawn and aquatic animal disease capacity building programs.
- Australia to support Vietnam's surveillance and diagnostics of plant pests through delivery of plant biosecurity capacity building projects.
- Australia and Vietnam to continue cooperation on illegal, unreported and unregulated (IUU) fishing practices through the *Regional Plan of Action to Promote Sustainable Fishing including IUU Fishing*; the Viet Nam–Australia MoU to Combat Illegal Fishing; and Australia's regional program *Combating IUU Fishing and Promoting Sustainable Fisheries in Southeast Asia*, which will provide opportunities for Vietnam to access capacity building support for monitoring, control and surveillance officers.
- Australia to undertake a study to assess the value of Australia–Vietnam agribusiness supply chains.
- Australia and Vietnam to hold an Agri-business Forum to foster commercial ties and partnerships and provide opportunities for agri-business investment.
- Vietnam and Australia to collaborate in high-tech agriculture, including through Australian farms visits.
- Australia and Vietnam to undertake bilateral farmer delegations between Vietnam and Australia to share technical knowledge in key sectors such as dairy, red meat and cattle.
- Australia, in consultation with Vietnam, to support the development of a bilateral investment Blueprint for Action for the Australian and Vietnamese cattle sectors.

- Australia to support a pilot project to build links between Australian and Vietnamese temperate fruit sectors, to grow fruit categories for the benefit of both countries, as counter seasonal suppliers.
- Australia to continue to support the social and economic empowerment of Vietnamese women farmers in agricultural value chains, through the Aus4Equality investment.
- Australia will prioritise negotiations with Vietnam on its interest in becoming an early participant country in the Australian agriculture visa, including bilateral arrangements for implementation to build on past and existing cooperation and ensure, among others, the protection of Vietnamese workers and upholding of Australian labour standards.
- Australia will prioritise the assessment of Vietnam's proposed alternative treatments to glyphosate for the purposes of devitalising propagatable fresh cut flowers and foliage, consistent with equivalent efficacy, safety and availability for on-arrival use as is provided by glyphosate.
- Australia supports livelihood development programs for Vietnamese farmers to gradually transition from conventional agriculture to sustainable agriculture.

STRENGTHEN WATER SECURITY AND MANAGEMENT

Australia and Vietnam will cooperate to strengthen capacity in river basin management, water resource planning, irrigation management and climate-resilient water infrastructure design and operation, and will share management experiences, aimed at improved water security.

ACTION ITEM

Cooperate to strengthen water security and respond to climate change

KEY INITIATIVES

- Vietnam and Australia to build upon existing cooperation under Australia's former Greater Mekong Water Resources Program, through Australia's new Water Energy Climate Program and the Water for Women Fund, including providing technical assistance, and deploying expertise via the Australian Water Partnership.
- Australia to support the establishment of a virtual trading platform to connect Australian and Vietnamese water sectors to build and strengthen enterprise partnerships in water technology innovation and services.
- Australia to support the Water Efficiency Improvement in Drought Affected Provinces project (WEIDAP) to reduce drought in Vietnam's Central Highlands provinces.
- Australia and Vietnam to cooperate to assist Vietnam to respond to the impacts of climate change, and develop sustainable agriculture practices.
- Australia to continue support for enabling sustainable socioeconomic growth of the agriculture sector through the application of innovative science and technology, through the Aus4Innovation investment.
- Australia to provide support to Vietnam on its National Water Resources Planning.



MANUFACTURING

Vietnam and Australia will support initiatives to facilitate increased, high-quality investment in Vietnam's manufacturing sector, including to reduce barriers to investment, research and development, as well as to identify further opportunities for joint development of manufacturing supply chains, business matching and technology transfer through commercial partnerships. Recognising the significance of manufacturing for women's employment, particular efforts will be made to advance gender equality and promote women's economic empowerment.

ACTION ITEM

Collaborate to reduce barriers to investment in Vietnam's manufacturing sector and identify opportunities for the development of joint manufacturing supply chains

KEY INITIATIVES

- Australia, in consultation with Vietnam, to undertake supply chain feasibility study across the Vietnamese and Australian automotive sectors to identify trade and investment opportunities.
- Vietnam to streamline requirements for the trade of prototype goods and other important inputs to encourage greater research and development in manufacturing.
- Australia, with Vietnam's support, to raise awareness of Australian defence manufacturing capabilities through trade missions.
- Australia to continue support to the ILO-IFC Better Work Programme to support labour standards and promote women's economic empowerment for the predominantly female workforce in Vietnamese garment factories.



TOURISM

Acknowledging that international tourism has been one of the sectors most affected by COVID-19, Australia and Vietnam recognise our tourism sectors face transformational and structural challenges, as a consequence of lasting global change to tourism and travel.

PROMOTE TOURISM SECTOR COVID-19 RECOVERY AND GROWTH

Vietnam and Australia will cooperate to support two-way tourism to rebound and grow once it is safe to do so, including through supporting the development of a skilled tourism workforce to combat labour shortages as the sector begins to recover, with a particular focus on promoting women's engagement and leadership in the sector.

ACTION ITEM

Work together to ensure our tourism sectors rebound and grow when travel restrictions permit

KEY INITIATIVES

- Vietnam and Australia share information about tourism industry responses to the COVID-19 pandemic, including outcomes of Australia's *Reimagining the Visitor Economy* Expert Panel inquiry, and tourism industry supporting policies, as well as efforts to attract the participation of airlines and tourism businesses in the development of tourism stimulus programs.
- After borders reopen to international tourism, both countries to jointly undertake activities to promote their destinations and communicate safe tourism among the people of the two countries.
- To the predominantly women Vietnamese industry supervisors and managers, delivery of a micro-credential program in hospitality and tourism leadership by an Australian institution in support of a skilled tourism workforce and retention of tourism skills and expertise.



SCIENCE, TECHNOLOGY, AND INNOVATION

Australia and Vietnam have complementary interests in science, technology, and innovation. Innovation will be critical for both countries' COVID-19 response but is also a central underpinning to trade competitiveness and industrial development more generally. The Australia-Vietnam Strategic Partnership recognises innovation as one of the three pillars based on our shared belief that knowledge and innovation will underpin our future sustainable growth and prosperity.

Building upon significant, existing collaboration including through Australia's bilateral development assistance to Vietnam, Vietnam and Australia will support several initiatives to promote cooperation in the fields of science, technology and innovation, and adoption of international standards for sustainable socio-economic development. The focus of new activities will be to create commercial opportunities and lasting linkages between our two countries.

This will include the establishment of, among others, an Australia-Vietnam Science, Technology, and Innovation Cooperation Initiative to promote collaboration between Australian and Vietnamese businesses, universities, and research institutions in joint research projects of mutual benefit. The Initiative will offer competitive grants to Australian applicants and their Vietnamese partners in priority research areas consistent with the Australia-Vietnam Joint Plan of Action on Science and Technology. Possible priority research areas may include sustainable development of the blue economy; food and agribusiness, recycling and waste management; and low emissions technologies. The grants would be complementary to key initiatives in these sectors listed elsewhere in this Implementation Plan, and those provided through the Aus4Innovation Innovation Partnership Grants.

ACTION ITEM

Promote commercial cooperation in the fields of science, technology and innovation, and adoption of international standards for sustainable socio-economic development

KEY INITIATIVES

- Vietnam and Australia to establish an Australia-Vietnam Science, Technology, and Innovation Cooperation Initiative, with joint funding from Australia and Vietnam, as a framework for a competitive grants process to promote collaboration between Australian and Vietnamese businesses, universities and research institutions to undertake joint research projects of mutual benefit, and which advance diversity, inclusion and equality in the sector.
- Continued cooperation through the Aus4Innovation program to strengthen Vietnam's innovation agenda and system, including its readiness to embrace the opportunities presented by Industry 4.0.
- Vietnam and Australia commit to undertake matching exercises between Australian and Vietnamese universities, especially exchanges of students and staff, to help to build enduring relationships and innovation through research collaboration.
- Host a joint experts meeting between Australian and Vietnamese officials to discuss issues around science and research, including future areas of collaboration, and policy areas of mutual interest.
- Australia to support mentoring and skills development programs for women entrepreneurs and researchers in innovative and knowledge-intensive industries.
- Australia to support a pilot forum to connect SMEs from both countries and promote greater uptake of technology use through a technology transfer model.
- Australia to support a pilot activity to use trademark data to identify branding

activities and explore new export markets for Vietnamese firms, as well as to increase Vietnamese firms' awareness of Australia's support for data-driven practice.

- Australia to support Vietnam in research and transfer of green chemical production technology, such as exploring opportunities with CSIRO to utilise Flow Chemistry to support the application of the circular economy model and the principles/criteria of green chemistry, to help Vietnam to achieve its sustainable development goals.



DIGITAL ECONOMY

Australia and Vietnam recognise the importance of digital technologies and digital trade as enablers of economic growth, development, and social wellbeing, including for women entrepreneurs. To increase digital trade between Australia and Vietnam, the two countries will cooperate in the fields of digital trade rules and regulatory environments, cyber and information security and critical infrastructure, and digital transformation of government services.

INCREASE IMPLEMENTATION OF DIGITAL TRADE RULES AND SHAPE DOMESTIC REGULATORY ENVIRONMENTS TO ENABLE DIGITAL TRADE

Australia and Vietnam have made important commitments in regional and multilateral trade agreements to support digital trade and are engaged in efforts to strengthen these commitments, including through the AANZFTA e-commerce upgrade negotiations, and the ASEAN-Australia Digital Trade Standards initiative to promote the adoption and use of international standards in digital trade. To support and build upon these existing initiatives, Vietnam and Australia will develop a Digital Economy MoU, as a framework for a package of digital trade cooperation. The MoU will be focused on greater implementation of digital trade rules and shaping domestic regulatory environments as an enabler for digital trade, including to build consumer confidence and trust, reduce the gender digital divide and barriers to women's engagement in digital trade. The MoU's implementation will be phased, beginning with a scoping phase to prioritise and develop a work plan for cooperation activities to be implemented under the MoU. Australia would provide funding for activities under the work plan but would encourage co-contribution from Vietnam.

ACTION ITEM

Work together on greater implementation of digital trade rules and shaping domestic regulatory environments as an enabler for digital trade

KEY INITIATIVES

- Vietnam and Australia to develop a Digital Economy MoU as a framework for a package of digital trade cooperation. The work plan, subject to agreement by both Governments, may include activities to:
 - strengthen coordination, including through facilitating implementation, of Vietnam's national level digitalisation plans and initiatives at the national, provincial and commune-level;
 - support development of regulatory frameworks, including a digital services market framework, to improve access to online goods and services for consumers and businesses;
 - facilitate cross-border data flows through supporting Vietnam to reduce regulations which have the effect of restricting or reducing data flows, and requiring data to remain in-country;
 - facilitate digital trade and electronic transactions through supporting Vietnam's implementation of commitments including, among others, paperless trading, e-signatures, e-invoices and e-payments;
 - strengthen consumer protection and trust in the online environment, including Vietnam's ability to deal with spam, and personal information protection and privacy;
 - share best-practices in telecommunications policy and regulation, including the development and uptake of 5G mobile broadband infrastructure; and
 - share and exchange experiences in the field of broadcasting and electronic information, and internet governance and management, including sharing lessons learnt on country code top level domain management.

STRENGTHEN CYBER AND CRITICAL TECHNOLOGY (INCLUDING INFORMATION SECURITY AND CRITICAL INFRASTRUCTURE)

Through the framework of Australia's Cyber and Critical Tech Cooperation Program, Australia will use and promote its government and industry expertise to engage Vietnam to strengthen cyber and critical technology resilience.

ACTION ITEM

Collaborate to strengthen cyber and critical technology (including information security and critical infrastructure)

KEY INITIATIVES

- Expand cooperation on cyber and critical technology (including information security and critical infrastructure) through the framework of the Australian-funded Cyber and Critical Tech Cooperation Program, with a focus on:
 - critical technology standards;
 - telecommunications and critical infrastructure security, with a focus on Resilient Smart Cities;
 - human rights online and ethical uses of technology such as AI; and
 - training on the application of international law in cyber space and the promotion of international cyber norms.

ACTION ITEM

Expand existing capacity building and sharing of digital transformation experiences to support Vietnam and Australia's e-government agendas

KEY INITIATIVES

- Continue cooperation on e-government agendas through the framework of the MoU between Australia's Digital Transformation Agency and Vietnam's Office of the Government.

SHARING DIGITAL TRANSFORMATION EXPERIENCES TO SUPPORT E-GOVERNMENT AGENDAS

Australia and Vietnam will expand existing capacity building and sharing of digital transformation experiences, under the existing MoU between Australia's Digital Transformation Agency and Vietnam's Office of the Government, to support Vietnam and Australia's e-government agendas.



SERVICES

Service sectors supported by effective domestic regulation are major drivers of economic growth and already contribute significantly to both countries' economies. The service sectors are also of significance in terms of women's employment and entrepreneurship, providing opportunities for women's economic empowerment and enhanced economic development. Australia and Vietnam will support initiatives to raise awareness of the opportunities and complementarities between Vietnam and Australia's services economies, recognising that strategic partnerships between industry and government are key to delivering greater success for the services sector.

The key initiatives outlined below focus on cooperation in Health and Transport and Logistics services sub-sectors. Additional cooperation focused on increasing trade in other services sectors, including in Tourism; Education, Skills and Training; Professional and Financial Services; Digital Economy; Water and Waste Management; Telecommunications and Information Technology (including Cyber); and METS is outlined in other areas of this Implementation Plan.

ACTION ITEM

Raise awareness of the opportunities and complementarities between Australia and Vietnam's health and transport and logistics services sectors

KEY INITIATIVES

- Increase links between Australian and Vietnamese scientists, health professionals, and research institutions through Australian-funded health fellowships and linking scientific research efforts.
- Australia to develop a partnership between CSIRO, Australian not-for-profit organisations, and the Vietnamese Government to increase Vietnam and

Australia's capacities to engage in the emerging area of telehealth and artificial intelligence for health service provision and increase investment in Australian technologies.

- Australia to support specialised healthcare export and cross-border commercialisation training for Australian and Vietnamese early-stage companies, to deepen innovation partnerships, providing significant impact and increased resilience via future growth industries of both countries.
- Through a further phase of the Aus4Skills program, implement education quality frameworks and promote inclusive skills development and employment in Vietnam's logistics and allied sectors through targeted TVET centres and enterprises.
- Continue support to Vietnam to develop high quality transport infrastructure project proposals and concepts including to facilitate better public-private-partnerships, through the Australian-funded Aus4Transport Investment.
- Australia to encourage Australian businesses to invest and cooperate in the field of logistics services in Vietnam.
- Through CSIRO, multilateral and local partners, tackle institutional complexities and capability gaps to increase digital collaboration and transform connectivity in the transport, logistics and agriculture sectors in Vietnam.



PROMOTION OF FREE AND OPEN TRADE AND INVESTMENT

Australia and Vietnam recognise the rules-based global trading system as the basis for open international trade based on market principles, in accordance with their World Trade Organization (WTO) commitments and regional free trade agreements and agree to work with partners to address economic challenges and coercive economic practices.

PROMOTE THE IMPORTANCE OF A STRONG, RULES-BASED MULTILATERAL TRADING SYSTEM TO OUR REGION

Vietnam and Australia will continue to discuss and promote the importance of a strong, rules-based multilateral trading system to our region, including to assist in economic recovery from the pandemic. Adhering to the WTO rules is an obligation of all WTO Members. Promoting WTO reform in the lead up to MC12 and beyond underlines our commitment to the system.

Australia and Vietnam will continue dialogue at ministerial and senior officials' levels on ways our region can press for positive and meaningful results in the WTO negotiations and on WTO reform at MC12 – such as: Appellate Body reform, agricultural reform with a focus on domestic support, fisheries subsidies negotiations, plurilateral negotiations, gender equality and women's economic empowerment outcomes and WTO transparency – among others. Vietnam and Australia will also establish a dialogue and exchanges on policy and practices related to trade remedies (including anti-dumping, countervailing duties, and global safeguards).

IMPLEMENT FREE TRADE AGREEMENTS COMMITMENTS

Vietnam and Australia will cooperate to effectively implement the commitments of the CPTPP Agreement including encouraging ratification by the four remaining signatories and expand the membership through a robust and transparent accession process. Both countries will support,

and coordinate to ensure the success of CPTPP Commission meetings, including when Australia and Vietnam assume the Chair in 2025 and 2026, respectively.

Building on the success of the Agreement Establishing ASEAN-Australia-New Zealand Free Trade Area (AANZFTA), Vietnam and Australia will cooperate to upgrade the AANZFTA in a mutually beneficial manner, within the agreed timeframe, so it remains modern, high quality, relevant to business, and strengthens regional supply chains, and supports long term post pandemic recovery.

Vietnam and Australia will cooperate to ensure entry into force and implementation of RCEP commitments.

Our countries will cooperate closely to support our businesses to effectively utilise the benefits of AANZFTA, CPTPP and RCEP. Further, both countries will make their best efforts to resolve any issue that may arise in the implementation of the agreements to facilitate trade and maximise the benefits of the agreements, as well as to reduce trade barriers (including non-tariff barriers) that might result in negative impacts on bilateral trade.

Australia and Vietnam will continue economic cooperation to facilitate investment, including through activities that strengthen capacity and implementation of international trade agreements (such as AANZFTA, CPTPP and RCEP) and improve relationships with foreign investors.

Our countries will deepen economic cooperation in ASEAN-led mechanisms, including the East Asia Summit, as well as APEC, and other forums, to promote outcomes which enhance regional economic integration including in the Mekong and Indo-Pacific regions more broadly.

Both countries remain committed to a peaceful, stable, open, inclusive, and prosperous region with respect for international law, sovereign rights, and jurisdiction as provided in the 1982 United Nations Convention on the Law of the Sea.

ACTION ITEM

Cooperate to advance a strong, rules-based multilateral trading system in our region as the basis for open international trade based on market principles, in accordance with WTO and FTA commitments

KEY INITIATIVES

- Both countries work collaboratively to take forward positive and meaningful results in the WTO negotiations and on WTO reform at MC12.
- Vietnam and Australia work together to upgrade AANZFTA in a mutually beneficial and expeditious manner.
- Vietnam and Australia to effectively implement the commitments of the CPTPP Agreement, including for Australia and Vietnam's Chairmanship of CPTPP Commission meetings in 2025 and 2026, respectively.
- Both countries work together to ensure entry into force and implementation of RCEP commitments.
- Vietnam and Australia to cooperate on Rules of Origin and certification issues.
- Vietnam and Australia work to actively reduce trade barriers, including non-tariff barriers, and the barriers women encounter to engaging in trade and investment.
- Our countries to work to deepen economic cooperation in ASEAN, APEC, EAS and other regional fora.
- Vietnam and Australia to establish an informal dialogue and exchanges on policy and practices related to trade remedies.



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