

AVPI Policy Briefing

Australian Business Champions to Vietnam Roundtable 4 - Brisbane

February 2023



Australian Government
Department of Foreign Affairs and Trade



Australia Vietnam
Policy Institute

Business Champions



The Brisbane Business Champions Roundtable on 17 August 2022 was organised by the Australia Vietnam Policy Institute (AVPI) as part of its sectoral policy dialogues. Hosted by Martin Bean CBE, CEO of The Bean Centre and former Vice-Chancellor and President of RMIT University, in partnership with AVPI Knowledge Partner, Trade and Investment Queensland (TIQ). This Roundtable brought together 18 participants from a range of sectors and industries with a primary focus on the digital economy, agriculture and professional services sectors.

The Roundtable brought cross-sectoral leaders together to discuss the opportunities that Vietnam presents, where there may be challenges and what common foundations from which different industries can work together to invest and trade in Vietnam and attract new opportunities from Vietnamese investors into Australia. Roundtable participants shared their views on the influence and power people-to-people connections can bring and the potential for a regional approach that is reciprocal in nature when engaging with the digital economy.

The key themes and emerging insights explored in this paper build on the conversations at the event. This policy brief reflects the experiences and priorities of the industries and individuals represented in the room, and insights from participants are used to inform a series of recommendations posed toward business and government for both Australia and Vietnam to strengthen the economic relationship between the two nations.

About the Business Champions Program

The Business Champions are industry leaders who promote trade and investment opportunities to business communities in Australia and Vietnam, fostering greater bilateral leadership, sparking discussion around key sectors, and supporting the Australia-Vietnam Enhanced Economic Engagement Strategy (EEES).

2022 Australian Business Champions to Vietnam are Rob Gordon (CEO, SunRice), Martin Bean (former Vice Chancellor, RMIT University and CEO, The Bean Centre) and Louise Adams (COO, Aurecon), who represent the agriculture, digital economy and professional services sectors respectively.

The Business Champions Program is funded by the Department of Foreign Affairs and Trade (DFAT) and supported by the Australia Vietnam Policy Institute (AVPI).

Australia Vietnam Policy Institute (AVPI)

The AVPI is the first policy institute focused on Australia's relationship with Vietnam, acting as a partnered public policy hub centred around engagement, collaboration and impact.

The AVPI enables and facilitates discussions on strategic and economic issues in the Australia-Vietnam bilateral relationship. Through disseminating the latest research, identifying upcoming trends and sharing practical insights from people with on-the-ground experience, the AVPI helps to advance a cooperative and secure environment for business and investment.

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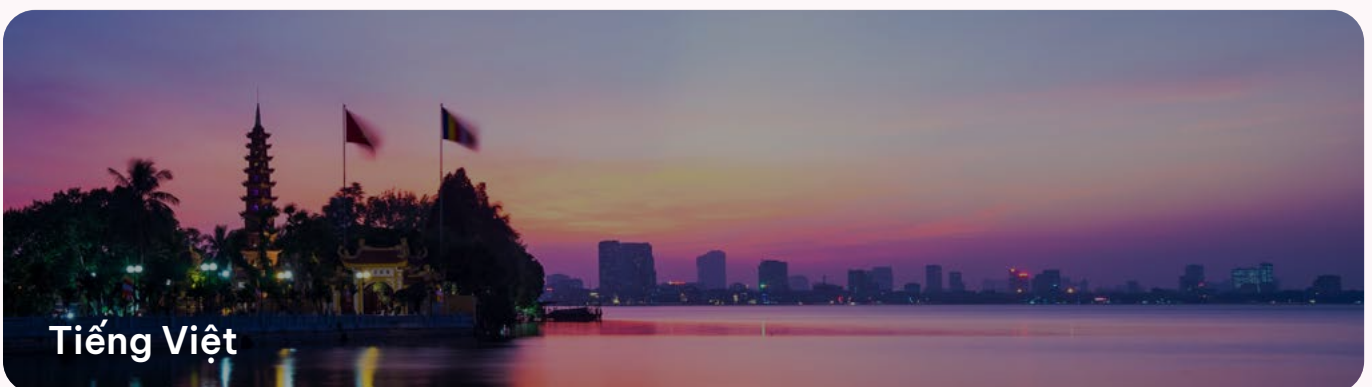
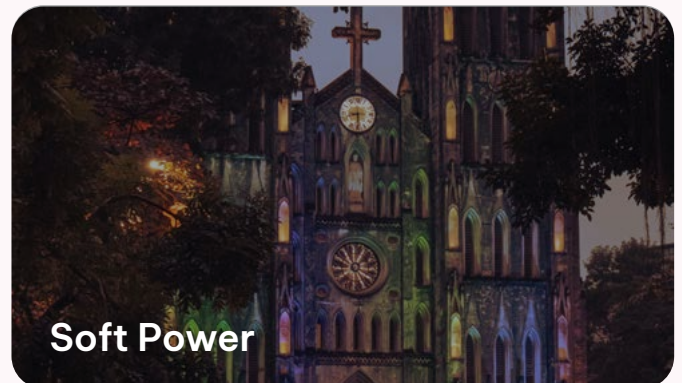
Vietnam Sectoral Dialogues

Roundtables Series

Wednesday 17 August 2022

Hosted in Brisbane by the Martin Bean, CEO of The Bean Centre and former Vice-Chancellor and President of RMIT University.

KEY THEMES



Regional Approach to Industry 4.0

There is potential to use startup precincts and ecosystems as a way of building deeper connections in the long run. **Digital transformation is part of a growing trend in Southeast Asia.**

Increasingly, Southeast Asian nations are adopting regional approaches to digitalisation with the Association of Southeast Asian Nations (ASEAN) Digital Masterplan 2025 launched in 2020.¹ The Vietnamese Government has also adopted a national strategy for Industry 4.0 readiness across its manufacturing and processing industries and established a National Committee on Digital Transformation. These ambitious policies have already fostered digital transformations across government administrations with further commitments to increase smartphone ownership and internet access for Vietnamese households.²

“Vietnam’s population is so young, digitally enabled, and entrepreneurial. You know, we tend to focus on the medium to large organisations, but there is an unbelievable opportunity for entrepreneur-to-entrepreneur bilateral collaboration as well.”³

As Australia continues to strengthen economic ties in the region, it can benefit from learning from its Vietnamese and ASEAN industry counterparts in its digitisation and Industry 4.0 readiness. The Australia–Vietnam Enhanced Economic Engagement Strategy (EEES) highlights this shared learning as a key action item, continuing the cooperation between e-government agendas to ‘expand existing capacity building and sharing of digital transformation experiences’.⁴



1. ASEAN, “Digital Masterplan 2025”, ASEAN, (2020).

2. Samaya Dharmaraj, “Vietnam Outlines Plan to Develop Digital Government, Economy”, Open Gov, (March 31, 2022), accessed August 26, 2022, <https://opengovasia.com/vietnam-outlines-plan-to-develop-digital-govt-economy>.

3. Industry participant in the Australia Vietnam Business Champion Brisbane Roundtable, 17 August 2022.

4. Department of Foreign Affairs and Trade, “Australia–Vietnam Enhanced Economic Engagement Strategy”, Australian Government, (2021).

5. World Economic Forum, “International Centre for Industrial Transformation”, WEF, (2022).



The World Economic Forum and several partners are currently rolling out data collection for 'SIRI' – a Smart Industry Readiness Index that will seek to provide a globally referenced framework for understanding Industry 4.0 readiness.⁵ Partnerships in digitalisation need to be developed with a regional lens, and a coordinated regional strategy may be necessary to develop the kind of ecosystems of entrepreneurship that attract innovation.

Development of a regional digital ecosystem could be achieved by syncing the adoption of regional approaches across ASEAN, such as initiatives funded by the Australia-ASEAN Council, with Australia's approach which is more bilaterally focused. Australia has been a supporter of ASEAN-led foreign relations initiatives, such as the East Asia Summit and ASEAN Regional Forum – however, business diplomacy is a relatively new frontier. This approach will need to focus not only on Vietnamese businesses but on start-ups and individuals across the region. A key way to catalyse these relationships is to set up an in-country presence.



'Boots on the Ground'

ESTABLISHING AN IN-COUNTRY PRESENCE

Ties between various Australian states and territories and Vietnam have been reinforced by establishing several new investment offices to represent state-based trade and investment interests and establish an in-country presence.

In country teams, such as Austrade's presence in Hanoi and Ho Chi Minh City also serve Australian companies looking to expand into and within Vietnam, as well as attracting foreign direct investment into Australia from Vietnam. This engagement between industry groups and government bodies with their Vietnamese counterparts further strengthens the relationships between industry and government and creates new ecosystems of collaboration.

In-person trade missions are an effective way of bolstering interest in Australian products and services, creating linkages for Australian and Vietnamese businesses. Initial studies support the case for trade missions – specifically if run through industry associations or for-profit organisations. **The initial studies prove that, on average, businesses participating in a mission can more than double their exports.**⁶ These types of trade missions have their niche in providing tangible and practical elements of business matching, overcoming cultural barriers or increasing business literacy across the two business cultures. While a fly-in-fly-out trade mission can reduce short-term costs in making initial connections or identifying potential customers, they are no replacement for establishing a solid in-country presence to navigate the nuanced requirements.

A number of agreements may be signed following successful trade missions – but the real measure of success comes down to concrete trade and investment outcomes over the long term. Industry bodies report significant issues with follow-through on potential collaborations. Even when purchase commitments are made due to these visits, organisations cannot always rely on these initial connections to come through. More than one business could cite an occasion where purchase commitments were made, yet products were sitting on pallets at a Vietnamese dock with unpaid invoices.



For organisations that have successfully navigated Vietnamese–Australian partnerships, an in-country presence can offset some of this risk. Establishing an in-country office is paramount for businesses that seek to do business in and with Vietnam successfully and for the long term. Initiatives, such as the Department of Foreign Affairs and Trade (DFAT) and AusCham Vietnam’s Industry Hub can facilitate connections for Australian business seeking to set up an in-country office.

“You could say that [having an in-country presence] is universal, but I find it’s even more so in Vietnam than other countries that I’ve worked in around the world.” ⁷



Country or regional offices have become essential in navigating regulatory and legislative frameworks and fostering reciprocal business relationships. The advancement of digital technologies and drastic changes in recent ways of working have assisted in virtual team building. Yet remote working exacerbates what INSEAD (European Institute of Business Administration) refers to as the 'digital divide'. With organisations also navigating cross-cultural complexities and language differences, removing barriers like remote working can create significant benefits for organisations doing business in and with Vietnam. Having people on the ground representing Australian business and business objectives is crucial to maintaining critical trade relationships.



⁶. Jann Milic, Alfons Palangkaraya, and Elizabeth Webster, "Entering Global Value Chains: Do Trade Missions Work." Centre for Transformative Innovation, Swinburne University, (2017).

⁷. Industry participant in the Australia Vietnam Business Champion Brisbane Roundtable, 17 August 2022.

The Power of People-to-People Links

Many existing Australian–Vietnamese business partnerships that enjoy economic success have developed out of relationships made over the course of education programs or work placements. **These relationships play into the broader concept of 'soft power' – defined in the 2017 Foreign Policy White Paper as the ability of Australia (or Vietnam) to 'influence the behaviour or thinking of others through the power of attraction and ideas'.⁸**

Government programs or grassroots initiatives are part of Australia's commitment to actively participating in regional challenges and opportunities with Vietnam. Australia's 2017 Foreign Policy White Paper highlighted areas of soft power such as a stronger national brand, digital engagement, institutions, systems and standards, education, science, sports, and arts.

Fellowship programs and study centres in Australian universities create person-to-person links that transcend linguistic barriers and cultural differences and provide crucial upskilling and education opportunities. The John Allwright Fellowship and the John Dillon Fellowship are both Australia Award programs run by ACIAR (Australian Centre for International Agricultural Research) to promote cutting-edge scientific research.⁹ Previously funded initiatives such as the Endeavour Fellowships also served to establish strong people-to-people ties across the two nations.

Professor Tran Tho Dat is one such success story – who came to Australia to study a PhD in Economics and has gone on to become a prominent economist and President of the prestigious National Economics University in Hanoi. He returned to Australia on an Endeavour Fellowship to hone his leadership skills at the Southern Cross University in Queensland.¹⁰ Another example is Dr Ly Qui Trung who completed a Bachelor of Hospitality at Western Sydney University and went on to become “one of Vietnam's most successful home grown entrepreneurs” launching Pho24.¹¹



⁸. Department of Foreign Affairs and Trade, “Foreign Policy White Paper”, Australian Government, (2017).

⁹. “ACIAR scholarships”, Vietnam Embassy, accessed September 5, 2022, https://vietnam.embassy.gov.au/hnoi/ACIAR_scholarships.html.

¹⁰. Department of Foreign Affairs and Trade, “Global Alumni: Professor Tran Tho Dat”, Australian Government, accessed November 25, 2022, <https://www.globalalumni.gov.au/alumni-stories/professor-tran-tho-dat>.

¹¹. Department of Foreign Affairs and Trade, “Global Alumni: Dr Ly Qui Trung”, Australian Government, accessed November 25, 2022, <https://www.globalalumni.gov.au/alumni-stories/dr-ly-qui-trung>.

The Queensland Art Gallery and Gallery of Modern Art's (QAGOMA) Asia Pacific Triennial of Contemporary Art (APT) marks a milestone in cultural engagement with the region more broadly. Since 1993, it has served to establish cultural exchange – highlighting contemporary art and artists and building long-standing relationships throughout the region.¹² APT captures the history and shapes the future of the relationship of Australia with the region.

The outcomes of these people-to-people connections are both tangible and intangible – growing a power-base by strengthening relationships and diplomatic relations between the two countries. Over 97 per cent of companies in Vietnam are classed as micro and small, making people-to-people connections ever more important in realising economic outcomes.¹³



“It comes up time and time again, people talk about long-term personal relationships and those research programs that we have.”¹⁴

Regulatory imports, such as Australia's vocational education and training (VET) framework, also establish soft power through systems and standards. These structures link Australia and Vietnam's VET providers with a centralised framework to develop knowledge partnerships and cross-border awards and increase opportunities for Australian and Vietnamese students in both countries.



12. “Asia Pacific Triennial”, QAGOMA, accessed September 14, 2022, <https://www.qagoma.qld.gov.au/about/asia-pacific-triennial/>.

13. Donald Greelees and Mukund Narayanamurti, “Reaping the Potential in Australia-Vietnam relations means tough choices on both sides”, Asialink Business, accessed November 22, 2022, <https://asialink.unimelb.edu.au/insights/reaping-the-potential-in-australia-vietnam-relations-means-tough-choices-on-both-sides>.

14. Industry participant in the Australia Vietnam Business Champion Brisbane Roundtable, 17 August 2022.

Development and Deals: A Shifting Perspective

Australia's relationship with Vietnam has shifted from aid and development to economic engagement as Vietnam has risen steeply as a development success story. Since 1986 and the economic reforms of Đổi Mới, Vietnam has jumped from one of the world's poorest countries to middle-income economies in one generation. It has future aspirations of making the next leap to a high-income country by 2045.¹⁵

By failing to develop an updated and consistent posture toward Vietnam that aligns with Vietnam's economic development progress, Australian organisations can miss out on strategic opportunities by treating Vietnam as a low-income country, not the rising high-income country it is aspiring to be. However, there are plenty of opportunities for Australian business to partner with the Government to realise the objectives and goals of the Australia-Vietnamese development strategy.

Australia's development assistance in Vietnam is founded on three pillars requiring Australian-Vietnamese economic cooperation; health security, stability, and economic recovery.¹⁶ First, health security requires support for new approaches, including the increased use of artificial intelligence (AI) in post-COVID-19 responses like CSIRO's Vietnam-Australia AI cooperation network and the strengthening of scientific research partnerships, such as the Indo-Pacific Centre for Health Security.

Second, stability is also a key area of focus – initiatives like the Vietnam-Australia Centre (VAC), based in the Ho Chi Minh National Academy of Politics, assist in increasing the leadership capabilities of navigating the complex relationships with Australia and the region. Finally, economic recovery is addressed by a number of programs and networks, like increasing the quality of education links and small business with the Australian Chamber of Commerce.¹⁷

Investing in the growth and further development of education and leadership initiatives will play a key role in attaining the objectives of the EEES and Australia's Vietnam development pillars.¹⁸ This is echoed in the World Bank's recent report, *Educate to Grow*, which looks at the role education infrastructure and investment makes in skilling Vietnam to reach high-income status by 2045.¹⁹

15. The World Bank in Vietnam, "Overview", World Bank, accessed November 25, 2022, <https://www.worldbank.org/en/country/vietnam/overview>.

16. Department of Foreign Affairs and Trade, "Australia's Development Program to Vietnam", Australian Government, (2022).

17. Department of Foreign Affairs and Trade, "Australia's Development Program to Vietnam", Australian Government, (2022).

18. Department of Foreign Affairs and Trade, "Australia-Vietnam Enhanced Economic Engagement Strategy", Australian Government, (2021).

19. Dorsati Madani and Hoang The Nguyen, "Educate to Grow", The World Bank, (2022).



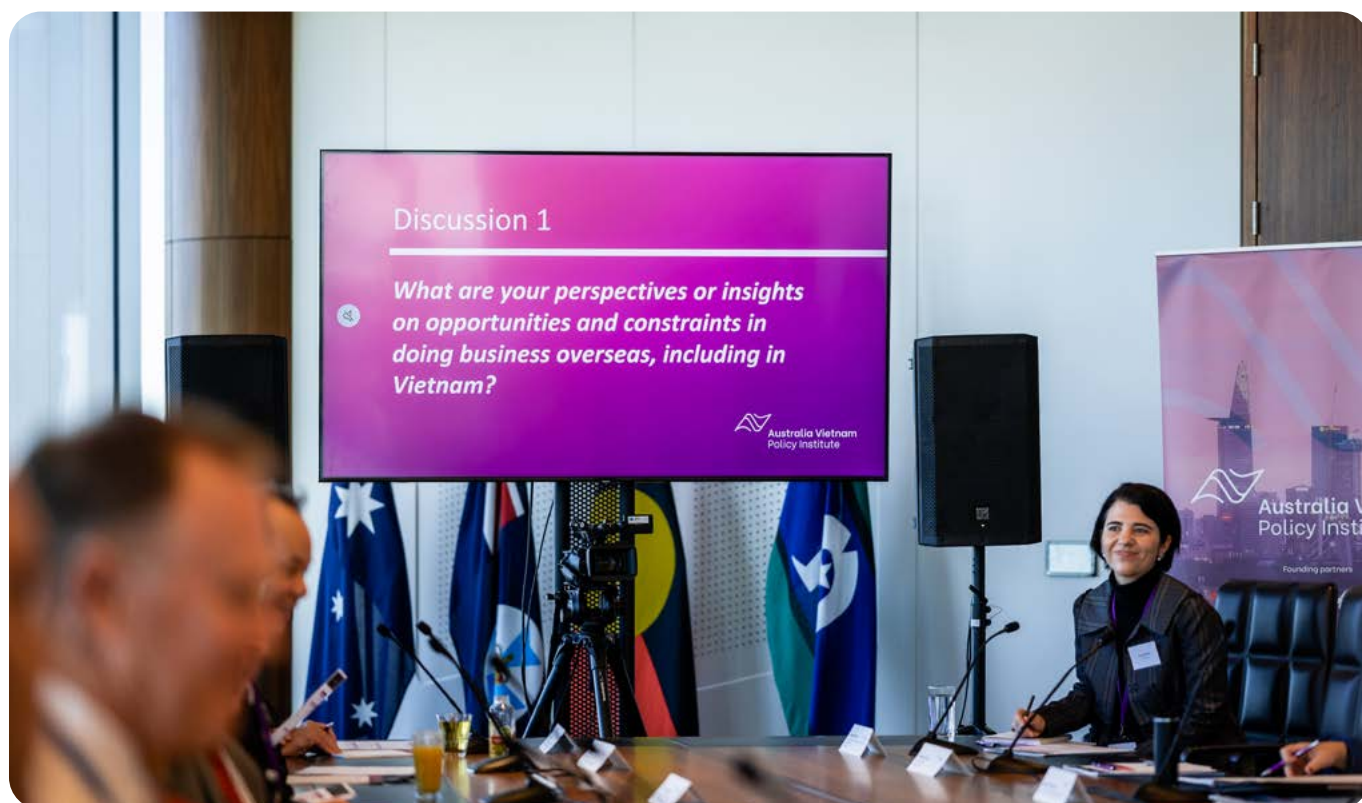
Deepening Cultural Literacy

Another key barrier to effective working relationships can be a lack of knowledge of the Vietnamese language and, alongside language, an understanding of the Vietnamese culture.

In lead up to the recent Australian federal election, there was a significant focus on increasing funding to language schools to bolster multilingualism in Australia's population.²⁰ The uptake of languages (in general) in schools has often been representative of a policy landscape that does not enjoy bi-partisan support **As a country, we're falling behind our OECD counterparts. Only eight per cent of Australian students (15-years-old) learn more than two foreign languages, compared to 50 per cent of students across OECD countries.** Over 64 per cent of Australian students reported no language learning.²¹ This is certainly not representative of Australia's population, where over 5.5 million Australians speak another language (other than English), and Vietnamese is among the top three spoken languages.



Organisations such as the Asia Education Foundation are working closely with the Government to advocate for increased uptake of Asian languages and cultural education in Australia's primary and secondary schools. **Programs such as the Australian-ASEAN Bridge School Partnerships Program provide an immersive and blended model of professional learning to connect schools from Australia and ASEAN.** The aim is to develop sister school partnerships and establish sustainable collaboration models to partner Australian and ASEAN representative schools together over the long term.²³



However, to upskill a population to be bi- or multi-lingual in Asian languages will take multi-generations and full cooperation across the federal and state policy landscape. By acting now, Australia can harness the extraordinary potential vested in Australia's Vietnamese diaspora and Vietnam's growing skilled workforce.²⁴ In particular, by paying attention to hiring practices that encourage bilingual/bicultural employees to represent Australian business interests in Vietnam and appropriately identify mutually beneficial partnerships. **To truly develop opportunities for Australian-Vietnamese economic cooperation, Australian businesses should consider employing individuals who are well acquainted with both cultures and, ideally, language at the team management and board level in their Australian operations.** This will help them shape their company ethos and organisational culture in a way that is cognisant of their Vietnamese counterparts.

20. Melissa Jardine, "Language Matters: Australia Needs a Return to the Study of Vietnamese Language", AVPI, (May 2022), accessed August 26, 2022, <https://avpi.org.au/resources/language-matters-australia-needs-a-return-to-the-study-of-vietnamese-language/>.

21. Sarah Richardson, "Australian students say they understand global issues, but few are learning another language compared to the OECD average", The Conversation, (Sep 2021), accessed August 31, 2022, <https://theconversation.com/australian-students-say-they-understand-global-issues-but-few-are-learning-another-language-compared-to-the-oecd-average-168073>.

22. Anna Macdonald, "Census 2021: Increase in Aussies born overseas and First Nations people getting older", The Mandarin, (Jun 2022), accessed August 31, 2022, <https://www.themandarin.com.au/193428-census-2021-increase-in-aussies-born-overseas-and-first-nations-people-getting-older>.

23. Asia Education Foundation, "Australia-ASEAN BRIDGE School Partnerships Program", The University of Melbourne, (2021).

24. Department of Foreign Affairs and Trade, "Australia-Vietnam Enhanced Economic Engagement Strategy", Australian Government, (2021).



Business as Family

The family is the most important unit of Vietnamese culture.²⁵ It is the responsibility of individual family members to prioritise their relationship with their family over their own personal objectives. This deep commitment to relationships carries through to business and economic considerations. In Vietnam, family businesses are considered to be the backbone of the economy – and the top 100 family businesses in Vietnam account for 25 per cent of the country's GDP.²⁶



*'First we're friends, then we're family, and then we do business.'*²⁷

This aspect of Vietnamese culture requires patience from Australians seeking to engage in the market. Business relationships require a high level of trust, which can take a great deal of time to establish. Vietnamese communities have a positive impression of Australians, even when compared with other Western nations. However, this preference does not always carry over into economic considerations.²⁸ While speculative, this may be due to how Australians pursue business objectives in a more transactional manner.

Interestingly PwC Vietnam recently released a report that looked specifically at family business models and their legacy in Vietnam. The key findings were reported on the Vietnamese perspectives of family business in Vietnam. **They highlighted that the main transition undergoing the Vietnamese family business landscape was the shift of focus from trust to impact. This indicates an early shift from Industry 4.0 thinking to Industry 5.0 thinking with a focus on sustainability.** These findings are particularly important to the Australian business community in understanding the mindset and approach to doing business in and with Vietnam.²⁹

Key priorities for family business in Vietnam will be focusing on expansion and diversification and upskilling in digital, innovation and technology. This aligns with one of the pillar sectors in the EEES.³⁰ In addition to adopting new skill sets, the UN Sustainable Development Goals (SDGs) are front of mind, and 'impact' seems to be the operative word for family businesses in Vietnam.³¹

²⁵. "Vietnamese Culture", SBS Cultural Atlas, accessed August 26, 2022, <https://culturalatlas.sbs.com.au/vietnamese-culture/vietnamese-culture-family>.

²⁶. "Family Business Survey 2021", PwC - Vietnam, accessed August 31, 2022, <https://www.pwc.com/vn/en/publications/vietnam-publications/family-business-survey.html>.

²⁷. Industry participant in the Australia Vietnam Business Champion Brisbane Roundtable, 17 August 2022.

²⁸. "Vietnam Country Brief", Department of Foreign Affairs and Trade, accessed August 26, 2022, <https://www.dfat.gov.au/geo/vietnam/Pages/vietnam-country-brief>.

²⁹. "Family Business Survey 2021", PwC - Vietnam, accessed August 31, 2022, <https://www.pwc.com/vn/en/publications/vietnam-publications/family-business-survey.html>.

³⁰. Department of Foreign Affairs and Trade, "Australia–Vietnam Enhanced Economic Engagement Strategy", Australian Government, (2021).

³¹. Family Business Survey 2021", PwC - Vietnam, accessed August 31, 2022, <https://www.pwc.com/vn/en/publications/vietnam-publications/family-business-survey.html>.

Demonstrating Value

One of the primary in-market hurdles Australian agricultural producers have faced when engaging with Vietnam is converting a relationship or MoU (Memorandum of Understanding) into a commercial outcome. Businesses cited that a large non-tariff barrier was the ability to demonstrate value and long-term commitment in a price-sensitive market when trust is yet to be established.

“We’re working with a lot of emerging exporters at the moment to look at new channels within the country that we can start to partner with. In terms of fresh produce – it’s finding the retailers and distributors that are willing to look at those commercial outcomes and actually capitalize on them.”³²

A key aspect of establishing strong commercial outcomes was the development of an appropriate pricing strategy. Developing a pricing strategy is both an art and science – and brands need to get this aspect right in order to have commercial success. Purchasing decisions across different countries, cultures, generations, motivation, markets and product categories have their nuances. Businesses must learn to tap into both quantitative and qualitative data to establish a responsive and dynamic pricing strategy.³³

‘Everyone is well accustomed to Australia’s brand reputation for clean, green, high-quality produce... however, our price point in Vietnam is what we really struggled with.’³⁴





Vietnam is one of the most price-sensitive markets in ASEAN. Over 80 per cent of shoppers notice price changes. The price elasticity is pegged at negative two per cent.³⁵ That means, for every price rise by one per cent, the revenue will fall by two per cent. However, McKinsey identifies five demographic shifts transforming this consuming class and informing how businesses think about pricing strategy; shrinking households, more spending by seniors, greater market participation by digital natives, economic empowerment of women, and wider geographic distribution of spending. Another key finding is the regionalisation of brand preferencing for consumer-facing categories. In the fast-moving consumer goods (FMCG) category, Asian brands increased revenue by nine per cent a year, compared with five per cent for global non-Asian brands. While this is an average across multiple FMCG categories, Australian businesses need to be aware that consumer preferences for Western brands in the emerging middle class are not a universal truth.



³². Industry participant in the Australia Vietnam Business Champion Brisbane Roundtable, 17 August 2022.

³³. Industry participant in the Australia Vietnam Business Champion Brisbane Roundtable, 17 August 2022.

³⁴. Industry participant in the Australia Vietnam Business Champion Brisbane Roundtable, 17 August 2022.

³⁵. Nguyen, Dat, "Vietnam among most price sensitive ASEAN markets", VNExpress International, accessed October 3, 2022 (Jul 2020), <https://e.vnexpress.net/news/business/economy/vietnam-among-most-price-sensitive-asean-markets>.

³⁶. McKinsey, "The new faces of the Vietnamese consumer", McKinsey, accessed October 3, 2022, <https://www.mckinsey.com/featured-insights/future-of-asia/the-new-faces-of-the-vietnamese-consumer>.

Emerging Insights

Australian Businesses

Establish an in-country presence

To make the most of opportunities in Vietnam, Australian businesses should consider investing on the ground and setting up an in-country presence with local employees. This will not only help companies to overcome cultural and linguistic barriers and better navigate legislative and regulatory processes, but it will also provide an avenue for developing the person-to-person relationships of trust that are crucial to market success in Vietnam.

Hire with cultural and language fluency in mind

Although language is important in any Australian-Vietnamese enterprise, culture and relationships are by far the most important consideration. Businesses should hire people with lived experience in both countries, not only as in-country representatives but at the management and board level, to build positive and lasting economic relationships in Vietnam.

Carefully consider price points

Patience really is a virtue and one of the most important considerations for business success in Vietnam. Long-term thinking is essential when establishing strategies for market entry and building trust when establishing a consumer base is part of the process. The Vietnamese consumer market tends to have greater price sensitivity. Australian businesses may do well to carefully consider price points for introducing new products and services to a new audience. To establish a consumer base, a lower price point that is increased over time will allow for Vietnamese consumers to develop trust in the product or service and better understand its value.

Australian Government

Invest in Australia's Industry 4.0 capacity building

Vietnam is rapidly developing its digital capacity. To remain an attractive investment and collaboration option in a competitive market, Australia must focus on developing its regional approach to Industry 4.0 engagement. This means investment into research and application of digital integration into manufacturing and processing practices. It also involves the active promotion and incentivisation of value-added manufacturing in Australia (as opposed to the prominent pattern observed in Australia's economy of export of raw commodities and import of value-added goods). Government bodies and industry partners could do this by focusing on creating an entrepreneurial ecosystem that encourages innovation and start-up partnerships, thinking not only bilaterally but regionally.



Continue investment in soft power initiatives

There is a focus on training Australian businesses in the cultural and linguistic skills necessary for engaging with the Vietnamese market, with **Australian companies already established in Vietnam ranking local relationships, not linguistic skills, as the most significant contributor to their success.** In the 2022–2023 Federal Budget the Australian Government announced A\$4 million to establish a pilot in-country language skills program in Vietnam, which is complimented by the A\$18.2 million over 4 years allocated to support young Australians to learn a second language through the establishment of a Community Language Schools Grant program.³⁷ This commitment to building language skills, accompanied by programs such as the Business Partnerships Platform which aims to help build sustainable and inclusive business partnerships, are some of the many initiatives helping to build University fellowships and other initiatives targeting Australian and Vietnamese young leaders and businesspeople are a proven means of fostering person-to-person links that can develop into lasting economic relationships.³⁸

Consistent messaging

Vietnam may still be a developing country, but not for long. Showcasing case studies of industry, academic and government partnerships that realise both developmental and economic outcomes will enable a reframe of the messaging around the current aid and development initiatives. Doing this will emphasise Vietnam's rising consumer class and future high-income country status will assist the Australian business community in its openness to engage in and with Vietnam as equal business partners and establish consistent messaging as to how Australia views Vietnam's place in the region.

Vietnamese Government

Further investment into soft power initiatives

Vietnam can focus on strengthening people-to-people links with its Australian counterparts by providing the framework, connections, and spaces to encourage Australian businesses to set up in-country presences. This includes continued support for Aus4Innovation program initiatives to support its 2045 middle-income country ambitions.

Reciprocal investment in scholarships or research fellowships could also enable the best of Australia to study under Vietnamese education or cultural institutions or businesses – in particular, learning from Vietnam's incredible entrepreneurial ecosystem and vibrant cultural heritage. These exchanges, sponsored by the Vietnamese government, will serve to strengthen long-term people-to-people connections.

Streamline investment pathways in Vietnam

Having an equivalent counterpart to Austrade with in-country advisors will provide an opportunity to offer complementary services to third-party professional services firms to enable foreign-owned companies and those with significant FDI interests in Vietnam to establish themselves in market. Doing this will greatly enhance Australian businesses' ability to navigate a complex government system that requires an understanding of regional, country and provincial arrangements.



³⁷. Australian Government, 'Budget Paper No. 2, Budget Measures October 2022–23', Australian Government, (2022).

³⁸. Business Partnerships Platform, 'What is the Business Partnerships Platform?', accessed 28 November 2022, <https://thebpp.com.au/about/>

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