



Australia Vietnam  
Policy Institute

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# Australia Vietnam Policy Institute (AVPI) Tasmania Roundtables Summary Paper

Enhancing trade and investment in  
manufacturing, food and beverage,  
agriculture and workforce  
development



Australian Government  
Department of Foreign Affairs and Trade

**The Australia Vietnam Policy Institute (AVPI) Tasmania Roundtables on 19 and 21 March 2024 were hosted in collaboration with the Tasmanian Department of State Growth in Launceston and Hobart as part of the AVPI's second roundtable series.**

Following announcements from Prime Minister Albanese and the Prime Minister of Vietnam, His Excellency Mr Phạm Minh Chính, on 7 March 2024, of a Comprehensive Strategic Partnership (CSP) with Vietnam, the roundtable discussions focused on how Australia can best realise the potential within the CSP framework with Vietnam.

The landmark CSP will support expanded cooperation on climate, environment and energy, and digital transformation and innovation. It will continue building on established collaborations across defence and security, economic engagement and education.

The roundtables were co-chaired by Dominique Wiehahn, AVPI Lead and Associate Director Asia Strategy & Impact at RMIT University and David Bennett, Executive Director for Investment Attraction at the Tasmanian Department of State Growth (Launceston) and Gabrielle Davy, International Affairs Manager at the Tasmanian Department of State Growth (Hobart). The discussions brought together 20 participants across two locations from education, government, and industry to discuss the role of a coordinated industry and government approach in enhancing connections between Australia and Vietnam.

Roundtable participants shared valuable perspectives on exploring and enhancing Tasmania's strategic engagement with Vietnam across education, trade, and investment areas.

This summary paper highlights the experiences and priorities of the roundtable participants representing sectors as diverse as manufacturing, food and beverage, agriculture and workforce development in Tasmania. The key themes and emerging insights from the discussion are presented here to provide industry input into the ways we can best use the CSP to support greater two-way trade and investment.

## **Australia Vietnam Enhanced Economic Engagement Grant (AVEG) Round 2 Roundtable Series**

The AVPI roundtables in 2023/2024 are being completed under the second iteration of the AVEG Program, supported by the Australian Department of Foreign Affairs and Trade (DFAT).

Building on the successful Australia-Vietnam Business Champions roundtable series in 2022, the second AVPI roundtable series explores new Australia and Vietnam locations and key sectors, as identified in the Australia Vietnam Enhanced Economic Engagement Strategy (EEES). These engagements aim to build a strong national voice on the challenges and opportunities across sectors that are key to both countries' economic development and sustainable futures.

## **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 two-way trade and investment and drive a sustainable shared future.





1. Tasmania must adopt a more strategic and targeted approach to promoting key sectors such as agritourism, renewable energy, and specialty foods to the Vietnamese market. Enhancing the visibility and accessibility of Tasmania's unique offerings through targeted marketing materials and digital platforms can ensure that Tasmania's value propositions are clearly communicated and easily accessible to potential Vietnamese investors and partners.
2. For Australian investors into Vietnam, success in the Vietnamese market is heavily dependent on building strong personal relationships and understanding cultural nuances. Face-to-face interactions, participation in local holidays, and the establishment of mutual trust are key, reflecting the importance of a relational rather than transactional approach to business in Vietnam.
3. Education partnerships continue to be a central theme. Educational exchanges and partnerships are strategic relationships that can catalyse broader economic and social benefits, reinforcing the importance of educational engagement in the bilateral relationship.
4. Collaborative efforts among local governments, universities, and business councils are key to building and strengthening international relationships. Ensuring the legislative landscape and resources available are supporting the CSP's intentions will be crucial to realising trade and investment outcomes.
5. There are significant and continued challenges related to the regulatory environment, tax issues, customs clearances and investment procedures that Tasmanian and Australian businesses face when entering the Vietnamese market. These include the need for a direct tax treaty, simplification of investment processes, and overcoming bureaucratic hurdles to facilitate smoother business operations and repatriation of profits.



## Vietnam is a priority market for Tasmania, ranking alongside China, South Korea, Japan, Taiwan and the United States as a top destination for the State's goods exports.<sup>1</sup>

In the pursuit of deepening economic relations between Tasmania and Vietnam, the spotlight turns to Tasmania's standout sectors: agritourism, education, renewable energy, and specialty foods. Recognising the strategic importance of this relationship, Tasmania's Trade Strategy 2019–2025 explicitly identifies Vietnam as a priority market, signifying a commitment to deepen and expand engagement in areas of mutual benefit. This strategic focus aims to enhance bilateral trade and explore new avenues for collaboration and investment.

Tasmania continues to be promoted actively in-country, with dedicated trade and investment advocates operating in key markets. The consensus among roundtable participants was clear: Tasmania is ripe for positioning as an ideal destination for Vietnam to do business with, particularly with its “clean and green” messaging, which can significantly boost its appeal to investors.

The Launceston and Hobart roundtable discussions covered several key points: streamlining investment processes, enhancing educational exchanges, and tackling regulatory and tax hurdles to ease business engagements. The dialogue reaffirmed the critical need for a strategic, relational approach to international partnerships. It stressed the importance of going beyond basic commercial transactions to cultivate lasting relationships driven by mutual interests and benefits. Reflecting on these discussions, the insights presented aimed to guide both the policy and legislative landscape to accurately support the strategic trade and investment priorities of all levels of government and industry.

1. Department of State Growth, Tasmanian Government, “Trade, Overview”, accessed 3 April 2024, [https://www.stategrowth.tas.gov.au/business/trade/export\\_overview](https://www.stategrowth.tas.gov.au/business/trade/export_overview).  
2. Department of State Growth, “Tasmania Trade Strategy 2019–2025”, Tasmanian Government, (2019).



# Two-Way Trade and Investment

Reflecting on over a decade of operating in Vietnam, one business leader highlighted the critical role of governmental stability in fostering a conducive environment for foreign investment. One roundtable participant observed that this relative stability, unique to Vietnam within the region, has instilled a sense of confidence among investors within their network, allowing for sustained investment and re-investment.

Any economic market seeking to attract investment would benefit from creating an environment of certainty, whether through a robust policy landscape or consistency in the application of legislative requirements. This would reduce the political and legal risk many boards weigh when considering foreign direct investment.

Participants discussed the enthusiasm for Tasmania among Vietnamese consumers, highlighting the potential for deeper engagement. Furthermore, as Tasmanian investment opportunities gain traction in Vietnam, they are increasingly branded with the Tasmanian identity, indicating a positive reception and a growing recognition of Tasmania's offerings in the Vietnamese market.

“*Many of my customers want to come to Tasmania... they are very, very keen. Once they know you're Australian, you can introduce them to investment opportunities.*”

– Roundtable Participant<sup>3</sup>

Enhancing Tasmania's visibility and accessibility to the Vietnamese market involves the development and deployment of marketing materials and digital content in Vietnamese, ensuring the State's value propositions are clearly communicated and readily accessible.

Some voices within the roundtable discussions emphasised the desire for Tasmanians to invest in their own state before seeking external investment, pointing toward a preference for bolstering local investment to sustain and grow the State's economy.

However, the necessity for foreign direct investment (FDI) as a stabilising force over the next 5-10 years was also acknowledged, with anticipations of significant shifts in the economic and geopolitical landscape.



3. Industry participant in the Australia-Vietnam Launceston roundtable, 19 March 2024.

## Partnerships and people

For Australian investors, navigating the complex regulatory environment and establishing deep market knowledge are critical components for businesses aiming to engage with Vietnam. Roundtable participants identified advocacy and open dialogue with the Vietnamese Government as essential strategies to address regulatory complexities, encouraging a more streamlined process for investors.

A strong theme across both roundtables was the agreement that success in Vietnam hinges on personal connections and the willingness to invest time, effort, and resources into building these relationships without an immediate expectation of return. Some roundtable participants' experiences in other markets, such as Indonesia, have informed this long-term perspective, underscoring the value of patience and persistence in developing partnerships that can eventually lead to significant scale.



*“... Zoom meetings? Emails? Teams? Nup, waste of time. You’ve got to be face-to-face.”*

– Roundtable Participant <sup>4</sup>

Participants shared how significant goodwill and business advantage has been gained by directly engaging with Vietnamese partners during culturally significant periods like the Lunar New Year. This direct engagement elevates brand recognition and strengthens business relationships, reinforcing the importance of personal connections in the market.

Having “boots on the ground” can be an expensive exercise, and support mechanisms such as the accelerating grant and the Export Market Development Grants (EMDG) scheme by the Australian Trade and Investment Commission (Austrade) offer financial relief for businesses undertaking these efforts. These initiatives are vital for enabling small and medium-sized enterprises to invest in building the necessary networks without the immediate pressure of returns, highlighting the importance of government and institutional support in facilitating international trade and investment into countries such as Vietnam.

4. Industry participant in the Australia–Vietnam Hobart roundtable, 21 March 2024.





However, there is still an ongoing reluctance to engage with challenging jurisdictions. While the Australian government offers infrastructure designed to assist businesses in entering the Vietnamese market, some enterprises have found more expedient success through engaging in-country consultants such as KPMG and EY. This approach, leveraging existing relationships with these firms' Australian branches, has been preferred for its efficiency over the traditionally slower governmental channels. However, it was noted that a certain scale of business is necessary to employ this strategy feasibly.

Despite sometimes bypassing direct government assistance for market entry, the "badge of government" has proven invaluable in opening initial doors. This indicates a nuanced strategy where governmental affiliation plays a crucial role in establishing initial contacts. However, the heavy lifting of building and maintaining these relationships falls to the organisations themselves.

Austrade has been credited with providing valuable in-house information and facilitating roundtable meetings, which have been beneficial in navigating the Vietnamese market landscape. Nevertheless, roundtable participants discussed a gap in follow-through after these initial engagements, highlighting a need for more sustained support to shepherd businesses through the entirety of their market entry and expansion efforts. Some of the roundtable participants shared their methods for engaging with Vietnam, having recognised these

challenges and taken steps to bridge the gap.

For example, some organisations have established dedicated teams tasked with following up on opportunities and vetting them to ensure they align with their strategic objectives. This includes discerning whether interactions are merely for official appearances or hold genuine business potential.

Achieving a shared understanding of the scale and scope of potential opportunities is often the turning point at which Vietnamese partners become eager to collaborate. Joint ventures stand out as a particularly effective strategy for market entry, offering a structured way to mitigate risks while capitalising on local expertise and investment.

*Rather than just trying to sell them [the Vietnamese market] something, get a partner locally who is invested and establish a Joint Venture. They have an interest in helping you get scale. The scale is different to what we ever think about...*

– Roundtable Participant <sup>6</sup>

5. Australian Trade and Investment Commission (Austrade, Australian Government, "Export Market Development Grants", accessed 3 April 2024, <https://www.austrade.gov.au/en/how-we-can-help-you/grants/export-market-development-grants>).

6. Industry participant in the Australia-Vietnam Launceston roundtable, 19 March 2024.

## Ethical business practices

Emphasising ethical business practices while navigating the complexities of the Vietnamese market is paramount. Participants discussed how many business practices could be considered culturally normative and, therefore, can challenge foreign businesses to define and adhere to what they consider ethical business practices.

One participant shared their approach to countering unethical behaviour by adopting a dual management structure, pairing expatriate general managers with local counterparts to maintain integrity and refuse any business dealings tainted by under-the-table transactions. This stringent stance on ethics, despite leading to the refusal of certain deals, underscores a commitment to clean business practices. Encouragingly, roundtable participants also discussed that the Vietnamese government had increased efforts to combat corruption.

*Set your business up, have good governance and stick to it... It's not a barrier, but you have to make a conscious decision that you're going to run your business with good governance and stay there. The minute you drift - you've got a problem*

- Roundtable Participant <sup>7</sup>



7. Industry participant in the Australia-Vietnam Launceston roundtable, 19 March 2024.





# Reciprocal Exchange

Facilitating reciprocal visits and educational exchanges between Tasmania and Vietnam plays a key role in laying the groundwork for enduring relationships. Despite Vietnam having one of the largest contingents of students in the ASEAN region choosing Australia for their studies, significant barriers hinder this potential bridge between the two regions. Scholarships emerge as a critical factor in the decision-making process for Vietnamese students. The launch of the Aus4ASEAN scholarships and fellowships for students at the recent Australia-ASEAN Special Summit is a great step forward.<sup>8</sup>

The consensus among roundtable participants is that the current challenges associated with visas and international engagement render the process discouragingly complex for prospective students.

The impact of hosting Vietnamese students and professionals in Tasmania cannot be overstated. First-hand experiences of Tasmania's offerings invariably leave visitors impressed, pointing to the untapped potential of leveraging such visits to showcase the high quality of Tasmanian education, lifestyle, and business opportunities. Roundtable participants talked about the challenge of making part-time and seasonal job opportunities visible to Vietnamese students, which could mitigate the brain drain to larger cities like Melbourne, further enhancing Tasmania's appeal as a destination for study and work.

*It's not worth coming here for some students. It's the hoops – but it's also the sentiment in the visa agency office where they can approve changes, depending on sentiment and feeling against Vietnam*

– Roundtable Participant

While the Tasmanian Government has shown a willingness to facilitate such exchanges and support international student employment in local industries, businesses remain unaware of available support programs, suggesting a gap in communication and outreach. Enlightening local enterprises about these opportunities could significantly enhance engagement and participation.

For Tasmanian students interested in Vietnam who have potentially gained exposure through the University of Tasmania's Global Opportunity Program (UniGo) (for example), students return seeking Vietnamese language studies or Vietnam-focused employment opportunities. However, there is a significant gap between what's available and on offer.<sup>9</sup>

8. PIE News, "Aus4ASEAN scholarships launched at summit", accessed 3 April 2024, <https://thepienews.com/news/aus-asean-summit/>.

9. (University of Tasmania, "UniGO: Vietnam", accessed 3 April 2024,  [Department of Foreign Affairs and Trade, "Australia-Vietnam Enhanced Economic Engagement Strategy", Australian Government, \(2021\).](https://www.utas.edu.au/study/learning-abroad/unigo/unigo-vietnam.)

A photograph showing three people in a meeting. A man on the left is looking down, a woman in the middle is looking towards the right, and a woman on the right is gesturing with her hand. The image has a purple overlay.

# Simplifying Investment Procedures

Another key theme that emerged from the two roundtables was advocating for the simplification of investment procedures, which emerges as a critical step towards facilitating smoother entry for Tasmanian businesses into Vietnam. The current landscape presents significant structural hurdles for businesses looking to establish a presence in Vietnam, particularly when it comes to repatriating profits back to Australia.

The necessity of investment for achieving scale is recognised, yet the lack of a unified approach to navigating the investment landscape complicates efforts. Given the fragmentation across state-based, federal, and university-based resources, the absence of a one-stop-shop for information and support on both sides of the bilateral relationship highlights the need for a more

cohesive and streamlined process. Despite the overarching policy and intent being aligned, the execution and flow of information remain disjointed, demanding that businesses with limited resources adopt a highly targeted approach to their investment strategies.

The AVPI's Resources Portal provides a unique model to fill this gap, acting as a virtual hub supporting knowledge exchange across an engaged network of Australian businesses, universities and government bodies with a shared focus on Vietnam. This model could be expanded with Government support to include greater information from Australia and Vietnam or supplemented with similar mechanisms across the two-way relationship.





## Tariff barriers continue to be an issue

Despite the absence of tariffs within the ASEAN bloc, which facilitates smoother trade among member countries like Malaysia and Vietnam, Australian businesses face stark challenges due to high tariffs for some goods when exporting to Vietnam. Reducing tariff barriers are a key focus of the Australia–Vietnam Enhanced Economy Engagement Strategy (EEES).<sup>10</sup>

The complexities of customs clearance and documentation further exacerbate this issue. Roundtable participants shared how the process is fraught with restrictions and potential mishaps, such as airlines' misplacement or loss of goods. A significant challenge identified by businesses is the need for an efficient eCertification system to streamline customs clearance, citing the system Australia has with the Philippines as a model.<sup>11</sup> Vietnam poses the greatest challenge in this area, primarily due to documentation issues. The call for Australian and Vietnamese governments to accept eCertification highlights the urgency of reducing time wastage and preventing damage or loss of products held up at customs.

Moreover, roundtable participants expressed how the operational window for customs clearance imposes additional constraints, especially for seasonal exporters (such as fresh produce). For some businesses, this limits deliveries to just three days a week, underscoring the need for more flexible and efficient customs processes to support the growing trade between Australia and Vietnam. Addressing these challenges is vital for fostering a conducive environment for business engagements, paving the way for smoother operations and stronger bilateral trade relations.



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

11. Department of Agriculture, Fisheries, and Forestry, "eCert for Australia", accessed 3 April 2024, <https://www.agriculture.gov.au/biosecurity-trade/market-access-trade/ecert>.



## Businesses call for tax reform

The intricacies of tax regulations significantly influence the landscape of trade and investment between Australia and Vietnam, especially for Australian entities that have successfully established profitable operations within Vietnam. The absence of a direct tax treaty between the two countries emerged as a primary structural challenge for some roundtable participants, complicating the financial and operational planning for businesses engaged in cross-border trade. This lack of a tax treaty means there is no formal recognition of the taxes paid on company profits between Australia and Vietnam, which poses a unique set of challenges.

While selling products from Australia to Vietnam without establishing a physical presence may pose minimal tax complications, the dynamics change as businesses seek to scale. The pursuit of larger-scale operations often leads to considerations of joint ventures with Vietnamese partners, at which point the lack of a direct tax treaty becomes a tangible impediment.



## Alignment of legislation with trade and investment strategy

Visa issues continue to emerge as a significant concern, with changes in assessment processes and the lack of integrated recognition of international students' economic contributions highlighted. *"If Federal and State Governments do not talk more about what it is that we need, in terms of filling skills gaps, etc., and decide what they're doing in terms of quotes for visas... we'll be in a world of pain,"* a roundtable participant warned, underscoring the need for a more integrated and strategic approach to visa policies.<sup>12</sup>

A coherent end-to-end government strategy linking Local, State, and Federal Government initiatives was highlighted as critical for realising these business opportunities. The discourse also highlighted the challenges of high costs and the frustrations of navigating local government bureaucracy and red tape.

The call for better coordination across all levels of government to ensure that strategies are not only formulated but also legislatively supported encapsulates Tasmania's broader challenge. As the State seeks to enhance its economic ties with Vietnam, the need for a streamlined, coherent strategy that aligns government policies with business initiatives has never been more critical.

12. Industry participant in the Australia-Vietnam Hobart roundtable, 21 March 2024.





## Recommendations for the CSP

### Vietnamese Government

1. **Simplify investment process:** Implement reforms to simplify the investment and business registration processes for foreign investors, including those from Australia. Reducing bureaucratic hurdles and making the process more transparent can attract more foreign direct investment (FDI) into Vietnam. This could involve setting up a one-stop-shop for foreign investors to get all necessary approvals and information, thereby enhancing the ease of doing business in Vietnam.
2. **Continue promoting ethical business practices:** Continue to strengthen efforts to combat corruption and promote ethical business practices across all sectors. This includes providing clearer guidelines for foreign businesses on navigating the Vietnamese market ethically and legally. Enhancing the legal framework to protect investors and businesses against corruption and ensuring that these protections are enforced can significantly improve the business environment and attract more investment.
3. **Embrace eCertification for customs clearance:** Accelerate the adoption of digital solutions in customs and trade facilitation processes, such as eCertification systems, to streamline the import and export process.

### Australian Government

1. **Establish a tax treaty with Vietnam:** To navigate this complex tax environment, businesses often find themselves having to establish tax entities in countries that have existing tax treaties with Vietnam, adding layers of complexity and potential cost to their operations. The establishment of a direct tax treaty between Australia and Vietnam would significantly simplify these issues, providing a clearer, more efficient framework for recognising and managing company profits and taxes across borders.
2. **Streamline worker and student visa processes:** Improve and streamline visa processes for Vietnamese students, business visitors, and professionals aiming to study, invest, or work in Australia. This includes simplifying application processes, reducing wait times, and recognising the economic and cultural contributions of Vietnamese migrants to Australia.
3. **Establish a network of Australian exporters to Vietnam for cross-promotion:** Participants shared the concept of creating a network among exporters to promote mutual support and recognition within the Vietnamese market. Such a network could amplify the visibility and impact of Australian exporters into Vietnam.

## References

1. Department of State Growth, Tasmanian Government, "Trade, Overview", accessed 3 April 2024, [https://www.stategrowth.tas.gov.au/business/trade/export\\_overview](https://www.stategrowth.tas.gov.au/business/trade/export_overview).
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11. Industry participant in the Australia-Vietnam Hobart roundtable, 21 March 2024.

## Images

1. AngryBirdProductions, Hobart waterfront and CBD in front of snow capped Mount Wellington, from the air. Shutterstock. 17 June 2024.
2. Deeksha/Pexels, Gaynor Mullen/Pexels, Peter Robinson/Pexels, Tindragoncottages/Pexels.
3. Elena\_Alex\_Ferns, Rural workers drying rice on the road in Vietnam. Shutterstock. 17 May 2024.
4. Janelle Lugge, Lobster or crayfish pots on fishing boats. Shutterstock. 17 May 2024.
5. Kawin Ounprasertsuk, Factory workers were checking list with chart to safety policy on automatic machine in beverage industry before start process. Shutterstock. 17 May 2024.
6. Qcon, HCMC, VIETNAM - JANUARY 29, 2022: Evening at Flower market on Tet holiday "Tren Ben Duoi Thuyen" every year at Binh Dong Wharf, District 8. People carry flowers from the West on boats. Shutterstock. 17 May 2024.
7. All other images in this summary paper are of participants who attended the AVPI Tasmania Roundtables on 19 and 21 March 2024. Photos by Australia Vietnam Policy Institute.



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## PARTICIPANT ORGANISATIONS

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Austrade

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Novaris

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University of Tasmania

### Launceston

AMC Search Ltd

Australian Maritime College, UTAS

City of Launceston

Elphinstone Pty Ltd

Forager Foods

Launceston Chamber of Commerce

Office of the Coordinator General, Tasmanian Government

Tas State Growth

Tasmania Chamber of Commerce and Industry

