

Interactive Session and B₂B Discussion with visiting Business/ Trade Delegation from The Socialist Republic of Vietnam

A 21-Member Delegation led by Mr. Pham Trung Nghia, Deputy Director General, Department for South-West Asia and Africa Markets, Ministry of Industry and Trade of The Socialist Republic of Vietnam visited Kolkata on 17th December, 2012 at the initiatives of Mr. Geetesh Sharma, Working President, Indo-Vietnam Solidarity Committee. The objective of the Delegation was to explore the possibilities of furthering bi-lateral trade between West Bengal and various sectors of the economy of Vietnam.

On the occasion, the Chamber organised an Interactive Session and B₂B Discussion with the 21-Member Delegation from led by Mr. Pham Trung Nghia, Deputy Director General, Department for South-West Asia and Africa Markets, Ministry of Industry and Trade of The Socialist Republic of Vietnam. The Session was held on 17th December, 2012 at 10:45 a.m. at The Park Hotel, Kolkata. Mr. Nguyen Tran Trung, Commercial Attaché, Embassy of the Socialist Republic of Vietnam was also present at the Session.

In course of his Welcome Address, Mr. Ashok Aikat, President observed that both Vietnam and India have shared a similar history. Kolkata had also the privilege to welcome the 'great son of Vietnam', Ho Chi Minh. The city has honoured Ho Chi Minh by christening a street in his name and erecting a statue at a prominent place, Mr. Aikat stated.

The President said that relationship between India and Vietnam has become closer as the year 2012 was the 40th Anniversary of India- Vietnam diplomatic ties and the 5th Anniversary of their strategic partnership. Besides, the year 2012 is also the 20th Anniversary of ASEAN- India Partnership.

The strategic trade relationship between Vietnam and India has been strengthened with Vietnam emerging as one of the most prominent economies in South-East Asia. The two-way trade between India and Vietnam has thus grown to nearly US \$ 4 billion in 2011, compared to US \$ 1 billion in 2006, Mr. Aikat stated. With the growing trends of trade volume among the two countries a target of US \$ 7 billion has been set for the year 2015. The trade relation between the two countries has been enhanced by ministerial visits, the outcome of which is the 'India Show' being organised in Vietnam by the Government of India, Mr. Aikat observed.

Acknowledging the contributions of Mr. Geetesh Sharma, Working President, Indo-Vietnam Solidarity Committee, Mr. Aikat stated that Mr. Sharma has constantly supported the Chamber in building a strong trade tie with Vietnam. He has also authored two books on trade and cultural relationship between Vietnam and India which according to Mr. Aikat would help in building a stronger trade relation with Vietnam. According to his research, business ties between Vietnam and India is 2000 years old and thus holds a lot of potential to be further strengthened.

The principal items exported by Vietnam include rice, rubber, coffee, pepper, cashew nut, aqua products, garments and textiles, rubber and wooden products, electronic items and electrical cables in which West Bengal too has a production advantage, Mr. Aikat emphasised. According to him, these areas could, thus become a strong region of co-operation among the two countries. Since West Bengal has a lot of strength in terms of manufacture of jewellery, leather products, jute-based products, tea, steel and textiles, these sectors could also be taken up by the Vietnamese counterparts for further exploration and trade promotion.

The Chamber, in the past, has actively pursued initiatives to build trade relationship with Vietnam by taking Business Delegation to Hanoi and Ho-Chi- Minh city in 2007 and by holding Interactive Sessions with Their Excellencies, the Ambassadors of Vietnam in India on four occasions, Mr. Aikat stated.

Mr. Nguyen Phuc Nam, Head of Middle-East Market Division, Ministry of Industry and Trade, The Socialist Republic of Vietnam introduced Members of the Delegation with their company profile and areas of business interest, which included among others timber, spices, paper, metals, battery, ceramics, agro-based products, animal feeds, rubber, engineering, porcelain etc.

Mr. Rajkumar Agrawal, Chairman, Global Trade Standing Committee of the Chamber observed that during the past few years Vietnam has achieved a very high rate of growth and has very successfully integrated into the global economy. Today, Vietnam is not only regarded as one of the fastest growing hub of Asia but has also become a hub for potential national and international investors.

Mr. Agrawal stated that Vietnam was declared as the "Most Favoured Nation" by the Government of India in 1975. Consequently, both nations signed a Bilateral Trade Agreement in 1978 and the Bilateral Investment Promotion and Protection Agreement (BIPPA) in 1997. India's trade growth, in this regard, can be linked to its growing consumer wealth and emerging middle class, investment in infrastructure development, impact of Foreign Direct Investment (FDI), its diverse range of exports and its developing role as a supply chain hub for Asia. Thus, a close and increased trade relation can be expected between India and Vietnam, Mr. Agrawal stated.

Mr. Rajkumar Agrawal, then introduced the Members of the Chamber present at the Session with their company profile and areas of business interest, which included among others garment, tea, food processing, agro-based products, financial services, metals etc.

Mr. Pham Trung Nghia, Deputy Director General, Department for South-West Asia and Africa Markets, Ministry of Industry and Trade of the Socialist Republic of Vietnam observed that the objective of the Delegation was to identify each other's advantages and potentials and thereby establish a close trade relation between the two countries.

Highlighting the state of economic affairs in Vietnam, Mr. Nghia stated that the country has, in a gradual manner transformed into a market economy. To nourish its economy presently under the *laissez faire* regime, Vietnam is diversifying and multilateralising the external economic relations. In the first nine months of 2012, the GDP of Vietnam grew by 5 per cent as against 5.9 per cent in 2011. In the international forum, Vietnam has entered into close relations with regional cartels such as ASEAN, APEC, ASEM, WTO etc. and is an active partner to countries like China, Korea, Australia and New Zealand, Mr. Nghia observed.

With regard to export earnings, Vietnam has earned USD 96.6 billion in 2011 which in the first 11 months of 2012 has gone up to more than USD 104 billion. Vietnam is a major exporter of products such as textile and garment, crude oil, cell phones and components, footwear, aquaculture products, electronics and computers, machineries and equipments, machine tools, wood and wooden products, rice, rubber, coffee, precious stones and metals, transportation vehicles, petroleum. Competitively, Vietnam is the world's largest exporter of pepper and coffee, the world's second largest exporter of rice and the world's fourth largest exporter of natural rubber, Mr. Nghia stated.

This was followed by the Presentation of a film covering the potentials of Vietnam.

Mr. Nghia observed that the imports to Vietnam for the year 2011 have been USD 105.8 billion. Products imported by Vietnam include petroleum, equipment and spare parts, steels, fertilizer, plastic materials, fiber, cotton, chemical materials, electronic components, textile fabric, leather and textile materials, animal food and feeding materials, etc.

Regarding FDI inflow recorded by Vietnam Mr. Nghia stated that for the year 2011 USD 199 billion with 13 registered projects and chartered capital of USD 67.8 billion have come as FDI. The inflow increased in the first 9 months of the year 2012 to USD 9.6 billion, including investment capital of newly-registered 775 projects and supplementary capital of previously licensed 314 projects. Mr. Nghia emphasised that Vietnam gives incentives and preferential treatment for investment in industries in the field of material production, new energy, food and agro-product processing, infrastructure construction, information technology, bio-technology, and labour-intensive sectors.

The India-Vietnam trade, according to Mr. Nghia has increased between 2007 and 2011 by 34 per cent per year. In 2011, trade exchanges between the two countries reached USD 3.9 billion. To enhance India-Vietnam trade, Vietnam has raised co-operation between trade bodies, supporting enterprises and businessmen in India.

Mr. Nghia expected that with the signing of the India-ASEAN FTA the trade relation between India and Vietnam would further enhance.

The Interactive Session was followed by a B₂B Discussion where the members of the Chamber and participants interacted with the members of the visiting Delegation.

Mr. Sajjan Bhajanka, Senior Vice-President of the Chamber offered a hearty Vote of Thanks to the Leader of the Delegation and other members of his team.
