



*A view of HCM City. Vietnam has emerged as a popular investment destination for foreign investors, especially those from Australia. (photo: mekongsean.vn)*

The Australian Government recently noted that when the economy recovers from the pandemic, the shift from a Chinese supply chain will be inevitable. The country's business community has recently assisted many Australian businesses to diversify their supply chains to developing countries, including Vietnam, Indonesia and India.

Kyle Springer, a senior analyst at the University of Western Australia's Perth USAsia Centre, said that Vietnam could become an important partner of Australia in the global supply chain as Australia wants to diversify partners after the pandemic ends.

Australia could export main raw materials along with technologies to develop clean energy to Vietnam, and import consumer and electronic products and value-added agricultural products from Vietnam.

Vietnam aims to become among Australia's 10 most important partners, according to Springer.

The country is the fastest-growing trading partner with Australia among ASEAN countries. "The two sides need to work to increase each other's presence in their respective business communities," he said.

Nguyen Quoc Cuong, general director of USIS, said the lure of Vietnam was too good for many to resist. "Vietnam has been largely praised for its outstanding results in containing the pandemic. Over the past few months, my company has traded online with Australian partners extensively."

David John Whitehead, vice president of the Australian Chamber of Commerce in Vietnam (AusCham), said Australian businesses hit hard by the outbreak are struggling to survive, and want to diversify their supply chains, especially in Asia.

In 2017, Australia and Vietnam enhanced their bilateral relationship to a strategic

partnership, which is important for many Australian businesses, especially those with strong financial resources, sound management and advanced technology, to promote trade and investment in Vietnam.

“We will see a large number of new businesses from Australia, especially those in the high-tech, education and service sectors, which will significantly add to the global value chain,” he added.

In August, Sydney-based logistics developer Logos along with another global investor established the Logos Vietnam Logistics Venture with an initial portfolio of \$350 million, aiming to develop logistics facilities across the key markets of HCM City, Hanoi and Da Nang.

Trent Iliffe, managing director and co-CEO of Logos, said the group’s expansion to Vietnam is an important step in its regional growth strategy driven by customer needs.

In May, shipbuilder Austal Vietnam continued to expand its operations in Vietnam through its launch of a 94-metre high-speed catamaran from its shipyard in Vung Tau City, said David Singleton, CEO of Austal.

The APT James vehicle-passenger ferry is the first vessel to be built by Austal Vietnam. “Austal Vietnam has started construction on its next project, a 41-metre high-speed catamaran ferry,” he said.

Last month, USIS, a company that assists non-American individuals and companies to invest in US market, and its partners implemented two projects calling for investment in Australia’s Queensland region: a project to install solar panels for households, and a solar farm project at industrial parks.

Vietnam is home to nearly 500 Australian-financed projects with capital totalling more than US\$2 billion, according to statistics from the Ministry of Planning and Investment’s Foreign Investment Agency.

Two-way trade between Vietnam and Australia reached \$7.732 billion last year, and nearly \$7.8 billion in 2018.

(Source: <https://www.vir.com.vn/>)