

Northeast Asia International Conference on Economic Development

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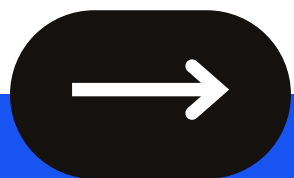


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Question 1

As the world economy becomes more multipolar, supply chain disruption and the division of the world economy is occurring due to the intensifying competition between the US and China, Russia's invasion of Ukraine, and the increasingly tense situation in the Middle East. Please tell us how each country is being affected, together with your self-introduction.

Question 2

Geopolitical issues such as the US-China conflict and the Russia-Ukraine war are making various impacts on trade and investment in each country. Please tell us how each country is responding to this. For the overseas panelists, please inform us if you come up with initiatives that could be beneficial for Japanese companies.



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Question 3

Japan, China, and South Korea are facing declining birthrates, aging populations, and relatively low economic growth. Vietnam's population is also aging at a relatively fast pace among the ASEAN developing countries. How are each of your countries trying to overcome this? How does your country tackle the issue at the national and corporate level? If you have any examples that can be applied to Japanese companies, please advise us.

Question 4

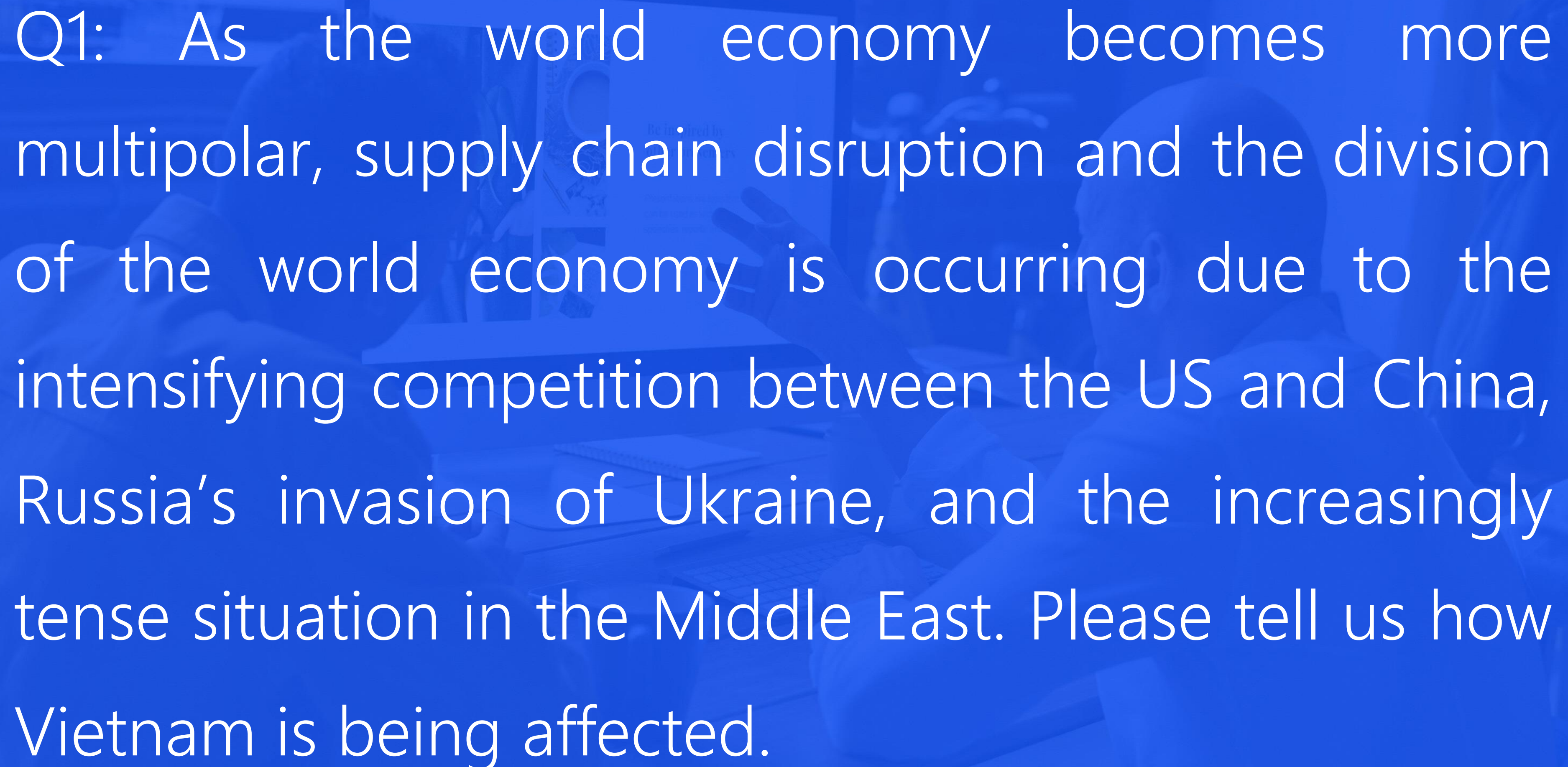
Japan accepts foreign nationals through the technical intern training system and the specified skills system. The current system however, has many problems and is now being reviewed. As for Vietnam's view point as a work force sender, if you have insight that would be helpful to Japanese companies, such as whether it is easier to send out low-skilled or high-skilled personnel, please let us know.

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Question 5

Finally, please tell us about the efforts you are already taking and what you are considering in the future, such as cooperation within the Northeast Asia region and cooperation between Northeast Asia and Southeast Asia. Please also tell us about what you think the ideal form of cooperation between governments should be, especially between local governments and between companies.



Q1: As the world economy becomes more multipolar, supply chain disruption and the division of the world economy is occurring due to the intensifying competition between the US and China, Russia's invasion of Ukraine, and the increasingly tense situation in the Middle East. Please tell us how Vietnam is being affected.

Vietnam, like many other countries, is not immune to the global economic shifts and geopolitical tensions. Here's how Vietnam may be affected by the mentioned factors:



1

Supply Chain disruption: The intensifying competition between the US and China has led to global supply chain disruptions. Vietnam, being a major player in the global supply chain, may experience challenges related to the reorganization and relocation of production facilities.

2

US-China Trade relations: As a significant player in the global market, Vietnam may be affected by the trade tensions between the US and China. Changes in tariffs, trade policies, and economic sanctions can impact Vietnam's trade relations and economic stability.

3

Russia's Invasion of Ukraine: The geopolitical tensions resulting from Russia's invasion of Ukraine can have indirect effects on Vietnam. Changes in global commodity prices, particularly energy resources, may impact Vietnam's trade balance and overall economic stability.

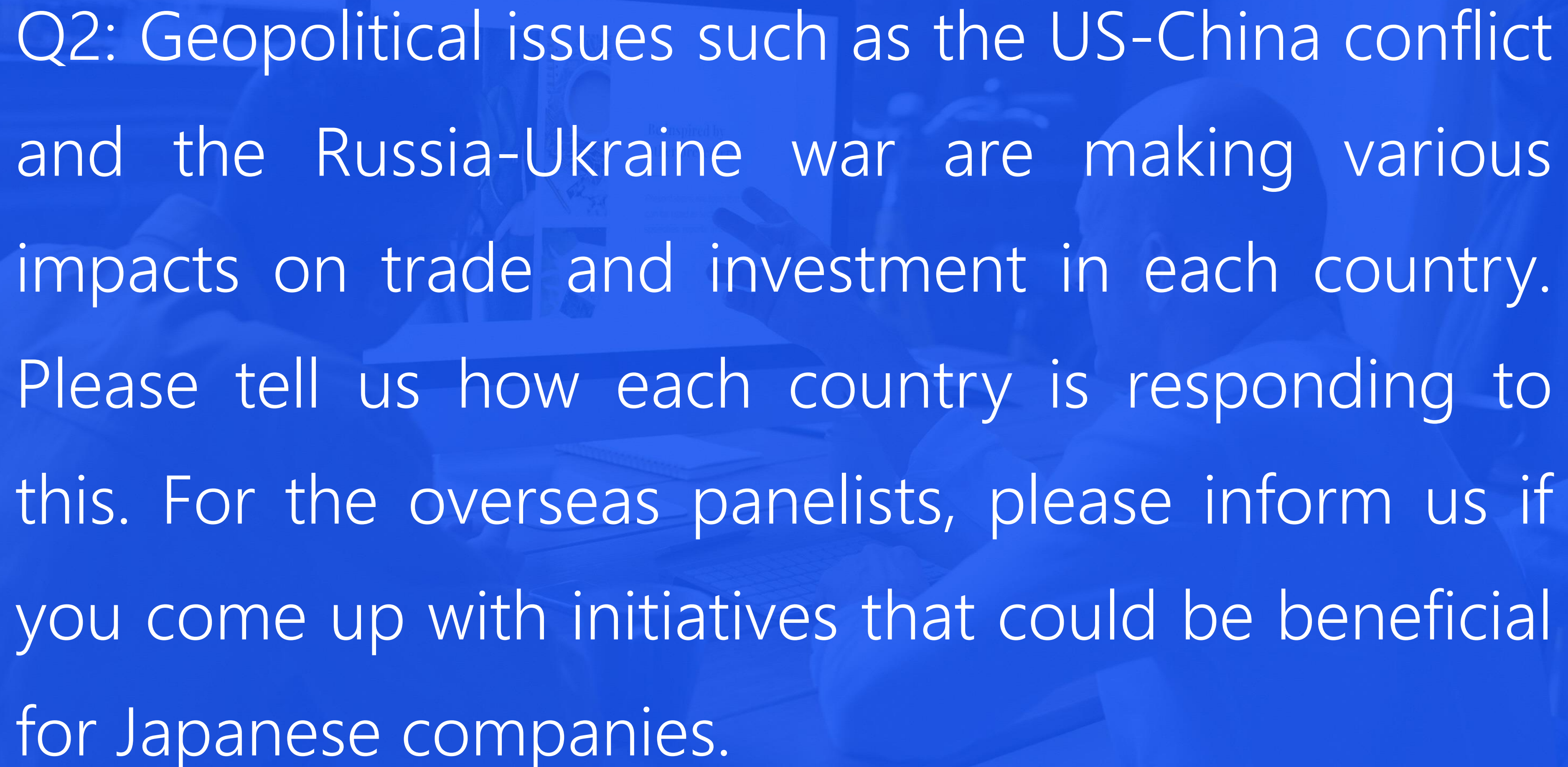
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Middle East tensions: The tense situation in the Middle East can affect energy prices and availability, impacting Vietnam's energy imports. Additionally, geopolitical uncertainties may lead to fluctuations in global financial markets, affecting Vietnam's economic outlook.

5

Opportunities for diversification: While challenges exist, Vietnam may also find opportunities amidst these global shifts. As companies look to diversify supply chains away from traditional hubs, Vietnam could attract new investments and partnerships.

In summary, Vietnam is not isolated from the impacts of global geopolitical and economic changes. However, the country's ability to adapt, diversify its economic relationships, and implement effective policies will play a crucial role in mitigating potential negative effects and seizing new opportunities.



Q2: Geopolitical issues such as the US-China conflict and the Russia-Ukraine war are making various impacts on trade and investment in each country. Please tell us how each country is responding to this. For the overseas panelists, please inform us if you come up with initiatives that could be beneficial for Japanese companies.

Vietnam, in response to the ongoing geopolitical issues, has been implementing various initiatives to navigate the impacts on trade and investment. Here are some key aspects of Vietnam's response and potential initiatives that could be beneficial for Japanese companies:

1 **Diversification of Trade partners:** In light of the US-China conflict, Vietnam has been actively seeking to diversify its trade partners. This involves strengthening economic ties with countries beyond the US and China. Japanese companies can benefit from this diversification by exploring new trade and investment opportunities in Vietnam.

2 **Trade Agreements and Economic partnerships:** Vietnam has been proactive in engaging with regional and global trade agreements to reduce its dependence on specific markets. For instance, the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP) and the EU-Vietnam Free Trade Agreement (EVFTA) offer opportunities for Japanese businesses to leverage Vietnam as a strategic hub for accessing these markets.

3 **Investment promotion:** Vietnam continues to promote itself as an attractive destination for foreign direct investment (FDI). The government may introduce incentives and streamlined processes to attract Japanese companies looking to relocate or expand their operations amid the changing geopolitical landscape.

4 **Infrastructure development:** Vietnam is investing in infrastructure development to enhance its connectivity and logistics capabilities. This could benefit Japanese companies by improving the overall business environment and facilitating smoother trade and investment activities.





5

Technology and Innovation: Vietnam is focusing on technology and innovation to enhance its competitiveness. Japanese companies, particularly those in the technology and manufacturing sectors, may find opportunities for collaboration and investment in Vietnam's growing tech ecosystem.

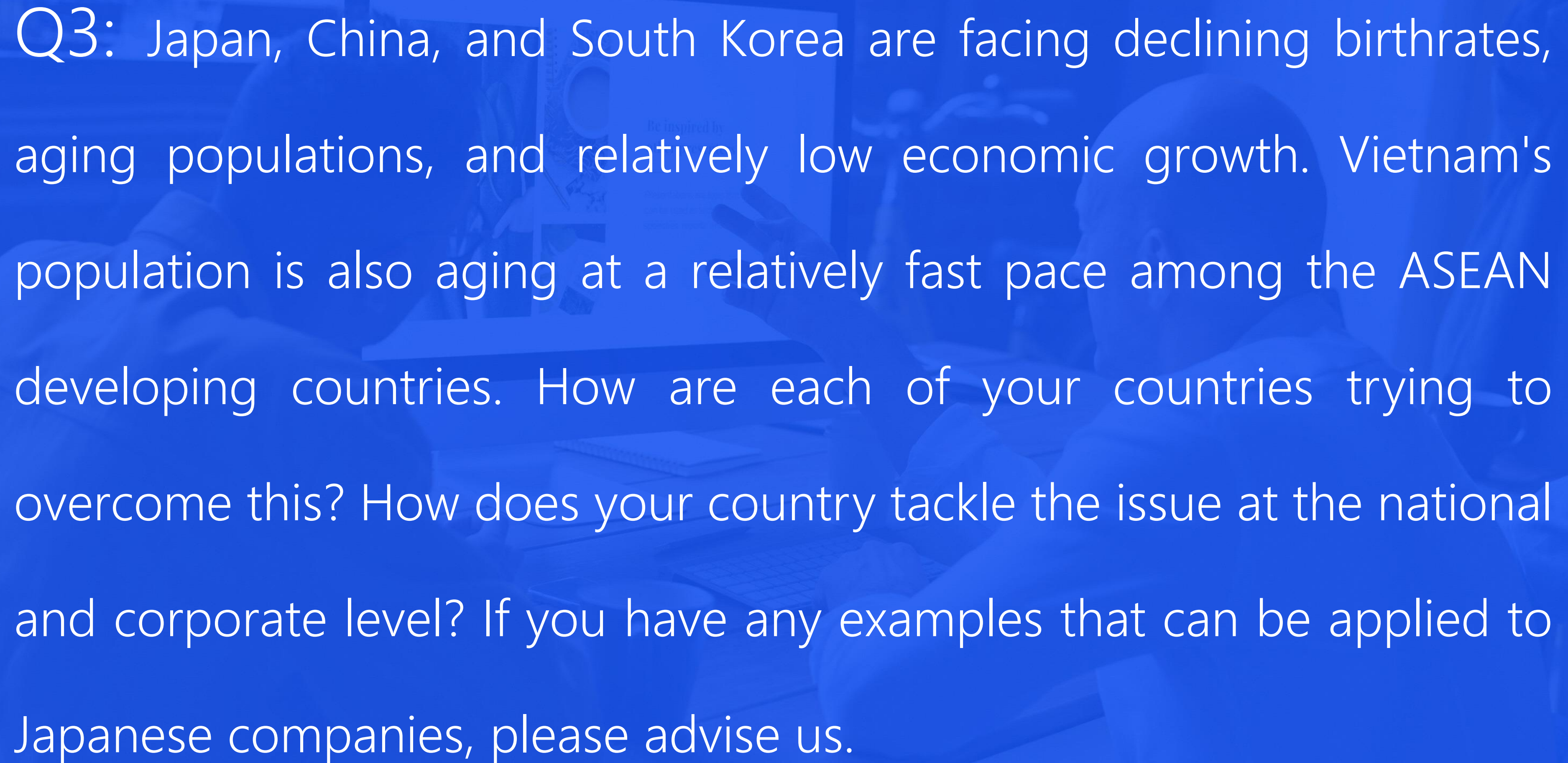
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Supply chain resilience: In response to global supply chain disruptions, Vietnam aims to build a more resilient supply chain. Japanese companies can explore partnerships with Vietnamese counterparts to strengthen and diversify their supply chains.

7

Sustainable development: Vietnam is increasingly emphasizing sustainable development practices. Japanese companies with expertise in sustainable technologies and practices may find opportunities for collaboration and investment in Vietnam's evolving business landscape.

In summary, Vietnam's response to geopolitical challenges involves a combination of diversification, trade agreements, investment promotion, infrastructure development, and a focus on technology and sustainability. Japanese companies can benefit by aligning their strategies with these initiatives and exploring collaborative opportunities in Vietnam.



Q3: Japan, China, and South Korea are facing declining birthrates, aging populations, and relatively low economic growth. Vietnam's population is also aging at a relatively fast pace among the ASEAN developing countries. How are each of your countries trying to overcome this? How does your country tackle the issue at the national and corporate level? If you have any examples that can be applied to Japanese companies, please advise us.

Addressing declining birthrates, aging populations, and slow economic growth is a common challenge faced by many countries, including Japan, China, South Korea, and Vietnam. Here's an overview of how each country and Vietnam, in particular, are addressing these issues:



Japan

Government initiatives: Japan has implemented various policies to encourage childbirth, such as financial incentives, parental leave, and childcare support. There are ongoing efforts to create a more supportive work environment for women.

Elderly care: With an aging population, Japan is focusing on improving elderly care services and facilities. This includes investments in healthcare infrastructure and initiatives to engage seniors in the workforce.

China

Two-child policy: China has relaxed its one-child policy to a two-child policy to address the demographic challenge. The government is encouraging families to have more children through various incentives.

Social security reforms: China is working on social security reforms to provide better support for the elderly, including pension system improvements and healthcare reforms.

South Korea

Family support policies: South Korea has introduced policies to support work-life balance, including parental leave and flexible working arrangements.

Elderly care services: Similar to Japan, South Korea is investing in elderly care services and facilities to meet the needs of an aging population.

Vietnam


Encouraging family planning: The Vietnamese government has implemented family planning programs to manage population growth.

Social security measures: Vietnam is working on enhancing social security measures, including pension reforms, to support the elderly population.

Skill development for the aging workforce: Initiatives are in place to develop the skills of the aging workforce, ensuring they remain active contributors to the economy.

Corporate initiatives: Some Vietnamese companies are implementing flexible work policies, including options for part-time work and remote work, to support work-life balance for employees with family responsibilities.





Examples applicable to
Japanese companies

Work-life
balance
policies

Japanese companies can consider implementing flexible work policies, including remote work options and parental leave, to support employees in balancing work and family responsibilities.

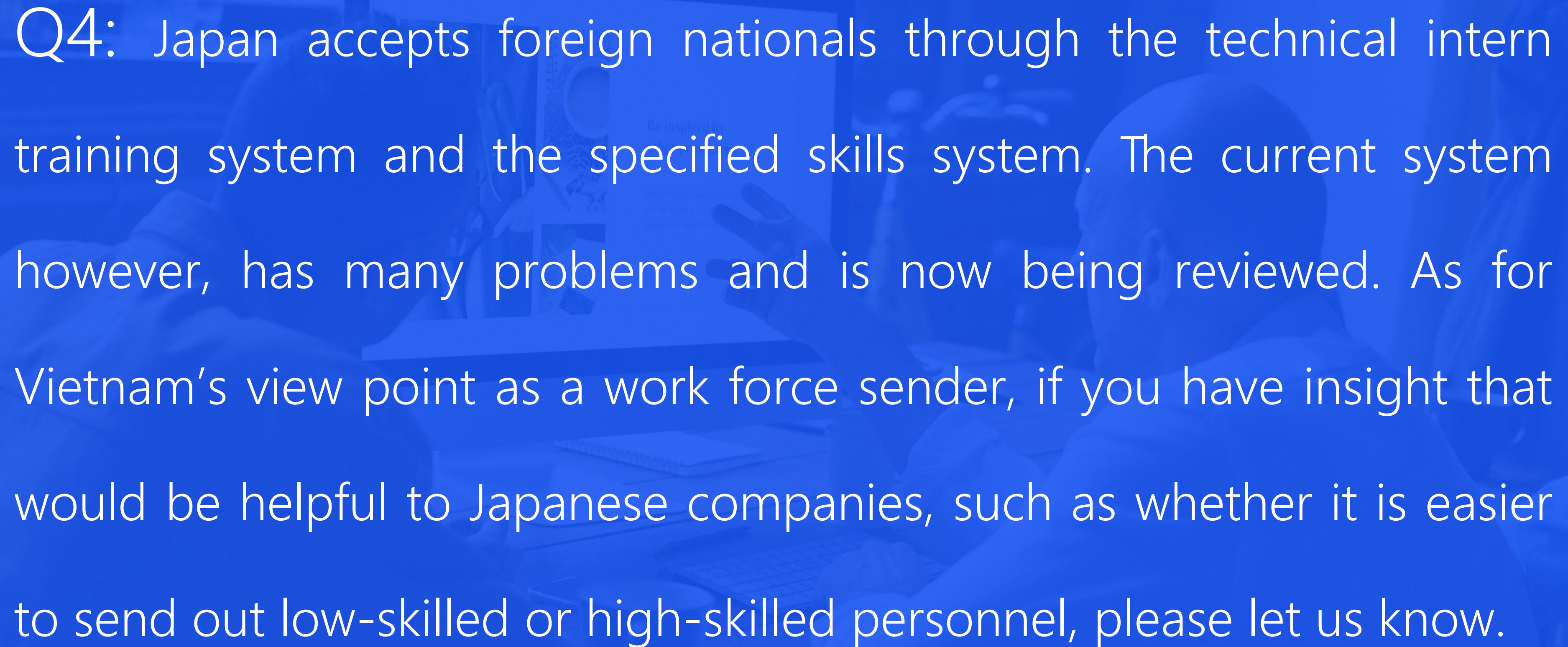
Elderly-
friendly
workplace

Creating an elderly-friendly workplace, with considerations for the aging workforce, can help Japanese companies retain valuable experience and skills.

Investment in
healthcare

Similar to Vietnam's focus on healthcare infrastructure, Japanese companies can invest in employee wellness programs and healthcare facilities to support the health of their workforce.

In summary, addressing demographic challenges involves a combination of government policies, social initiatives, and corporate practices. Japanese companies can draw inspiration from the approaches taken by Vietnam and other countries to adapt their strategies for an aging population and declining birthrates.

A blue-tinted background image showing a group of people in a meeting. They are seated around a table, looking at documents and laptops. The scene is dimly lit, with the primary light source being the screens and the overall blue color cast.

Q4: Japan accepts foreign nationals through the technical intern training system and the specified skills system. The current system however, has many problems and is now being reviewed. As for Vietnam's view point as a work force sender, if you have insight that would be helpful to Japanese companies, such as whether it is easier to send out low-skilled or high-skilled personnel, please let us know.

Let's delve into the foreign worker acceptance systems in South Korea, China, and Vietnam:



South
Korea

Has implemented the Employment Permit System (EPS) to accept foreign workers. Key features include:

Industrial trainee system: South Korea, like Japan, has a trainee system for foreign workers, allowing them to gain work experience and skills in various industries.

Point system: South Korea has introduced a point-based system for skilled foreign workers, encouraging high-skilled professionals to contribute to the country's workforce.

Special employment permit: There are specific permit categories for certain industries to address labor shortages.

China

Has been actively attracting foreign talent through various programs, such as:

Foreigner's work permit system: China introduced a unified work permit system to attract skilled foreign workers. The system classifies foreign workers into different categories based on their skills and qualifications.

Permanent residency options: China has initiated programs to grant permanent residency to highly skilled foreign professionals to encourage long-term contributions to the country.

Vietnam

As a workforce sender, Vietnam has been actively engaging in skill development and labor export. Key points include:

Skills training: Vietnam focuses on providing skills training to its workforce, preparing them for opportunities abroad.

Low-skilled and high-skilled export: Vietnam has been sending both low-skilled and high-skilled workers abroad. While the majority may be in low-skilled sectors, there's a growing trend in sending high-skilled professionals to meet international demand.



Insights for Japanese companies



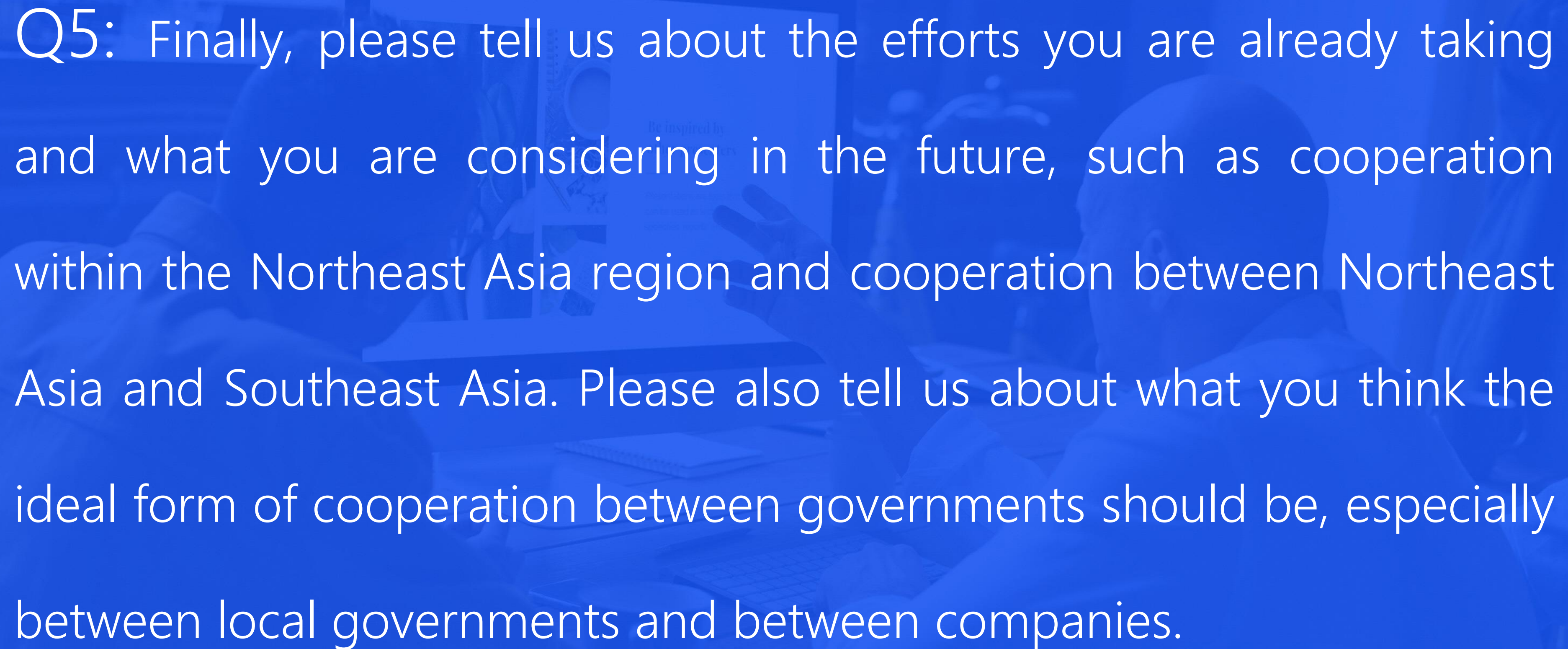
Review of foreign worker systems: Japanese companies can learn from the experiences of South Korea, China, and Vietnam in managing foreign worker programs. Regularly reviewing and updating these systems is crucial to address challenges and ensure effectiveness.

Skill development: Emphasizing skill development initiatives, as seen in Vietnam, can be beneficial for Japanese companies. This not only enhances the employability of the workforce but also contributes to the skill level of workers sent abroad.

Diversity and inclusion: Taking cues from China's efforts to attract diverse foreign talent, Japanese companies can focus on creating inclusive workplaces that welcome a variety of skills and perspectives.

Adaptable systems: Learning from South Korea's point-based system, Japanese companies could explore adaptable systems that consider the specific needs of different industries and skill levels.

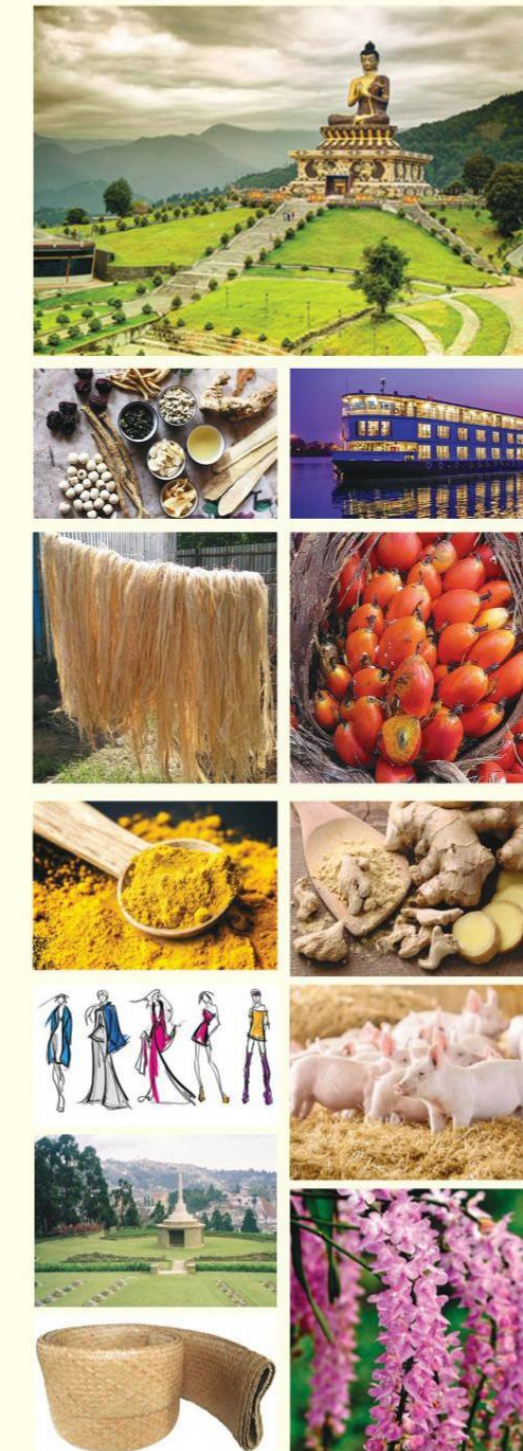
In summary, understanding the foreign worker systems of South Korea, China, and Vietnam can provide valuable insights for Japanese companies as they navigate the challenges and opportunities associated with international labor migration.



Q5: Finally, please tell us about the efforts you are already taking and what you are considering in the future, such as cooperation within the Northeast Asia region and cooperation between Northeast Asia and Southeast Asia. Please also tell us about what you think the ideal form of cooperation between governments should be, especially between local governments and between companies.

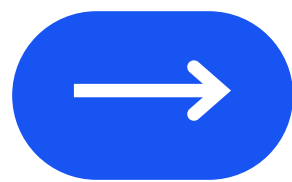
Vietnam has been actively involved in efforts to strengthen cooperation within the Northeast Asia region and between Northeast Asia and Southeast Asia. Here are some of the ongoing efforts and potential considerations for the future

Strategic Roadmap for Bringing Investors from South East Asia (Cambodia, Laos, Myanmar, Vietnam & Thailand) to North East India: A Seed Project Approach



NEDFi NORTH EASTERN DEVELOPMENT FINANCE CORPORATION LIMITED (NEDFi)
Advisory & Consultancy Department

Ongoing efforts



Northeast Asia cooperations

Economic partnership: Vietnam has established economic partnerships and trade agreements with countries in Northeast Asia, fostering collaboration in various sectors.

Investment attraction: Vietnam actively seeks foreign direct investment (FDI) from Northeast Asian countries, including Japan, South Korea, and China, to enhance economic development.

Southeast Asia cooperations

ASEAN membership: Vietnam is an active member of the Association of Southeast Asian Nations (ASEAN), contributing to regional economic integration and cooperation.

ASEAN-Japan cooperation: Vietnam participates in various ASEAN-Japan cooperation initiatives, promoting economic and cultural ties.

Future considerations



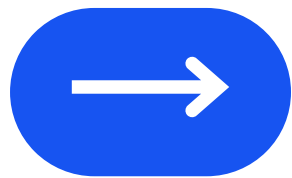
Enhanced regional integration: Vietnam can explore deeper economic integration within the Northeast Asia region, building on existing partnerships and fostering collaboration in emerging industries.

Cross-border infrastructure: Strengthening infrastructure projects that connect Northeast Asia with Southeast Asia can enhance economic activities and trade. This includes transportation networks, energy projects, and digital infrastructure.

Technology and innovation collaboration: Promoting collaboration in technology and innovation between Vietnam and Northeast Asian countries, including Japan, can drive economic growth and competitiveness.

Educational and cultural exchanges: Facilitating educational and cultural exchanges can strengthen people-to-people ties, fostering a deeper understanding and collaboration between Vietnam and Northeast Asian nations.

Ideal form of cooperations



Government-to-Government cooperation: Establishing transparent and efficient channels for government-to-government cooperation is essential. Regular dialogues and joint initiatives can address mutual concerns and promote economic collaboration.

Local Government collaboration: Facilitating collaboration between local governments is crucial for effective implementation of policies and initiatives. This includes sharing best practices, promoting investment opportunities, and addressing local challenges.

Business-to-Business collaboration: Creating platforms for business-to-business collaboration allows companies in Vietnam and Japan to explore partnerships, joint ventures, and investment opportunities. Industry-specific forums and trade delegations can facilitate this collaboration.

Skill development and workforce collaboration: Collaboration in skill development and workforce training programs can ensure that the labor force is equipped with the skills needed for evolving industries. This could involve joint initiatives between educational institutions and businesses.

Sustainable development partnerships: Emphasizing sustainable development goals in collaboration can contribute to long-term economic and environmental stability. Joint projects that prioritize environmental conservation and social responsibility can be explored

In summary, Vietnam's future efforts may focus on deepening regional integration, enhancing infrastructure connectivity, promoting technology collaboration, and fostering educational and cultural exchanges. The ideal form of cooperation involves transparent government dialogues, active local government collaboration, strong business-to-business ties, skill development initiatives, and a commitment to sustainable development goals. This multifaceted approach can contribute to a robust and mutually beneficial partnership between Vietnam and Japan in the Northeast Asia region.



Thank you!