

but returnees could only claim it once. Fourth, the PWC could set a date (i.e., 2002), before which returnees can claim their seven years at anytime and after which they would have to begin counting again.

Special treatment will undoubtedly be given to returnees, says Ms. Fan, but there will be limits in order to balance their interests with those of Hong Kong people who have no other passports.

The key point is the distinction between the freedom to live and work in Hong Kong and permanent residency status. Ms. Fan is confident that returnees will be free to live and work in Hong Kong, while the lack of permanent residency status will only prevent them from voting, joining the civil service, and serving in the Legislative Council. In other words, the advantages of becoming a permanent resident of Hong Kong are political only.

When asked whether she thought China would deal with Hong Kong people in good faith after 1997, Ms. Fan responded positively, but cautioned that Hong Kong people ought not challenge the legitimacy of the Chinese government to govern China.

Chamber welcomes new membership secretary

A warm welcome to our new membership secretary, Yvonne Ching-Fong Chiang. Yvonne is a recent graduate of the University of New South Wales, Australia with a Bachelor of Science degree in applied mathematics.

Yvonne's role as membership secretary is to manage the membership database and edit our bi-monthly newsletter of Chamber events, along with the unenviable task of managing the Chamber's computer systems.



Yvonne Chiang

She takes over from Rosita Wun who was with the Chamber for one year.

Yvonne has worked as a secretary for Cornick Petty and Esso H.K. She speaks fluent Chinese and English, plus a little Japanese. Her hobbies include swimming, tennis, and squash.

ket. Current rates for leasing office space in Hanoi run US\$37-43 per square meter per month, and US\$35-40 in Ho Chi Minh City.

In setting up a representative office in Vietnam, maintaining a presence on the ground is essential, advises Mr. Goetting. The rules change so



Vietnam luncheon panel and moderators (1-r): Ed Rubin, Charles Brooke, Ken Atkinson, Ekkehard Goetting, and Mark Goetze.

Vietnam: will the early bird really get the worm?

The Indochina Trade & Investment Committee of the Chamber, in association with the French, German, and Vietnamese Business Associations attracted over 100 attendees to a panel lunch focusing on Vietnam.

Over-subscription to the luncheon was a clear indication of the emerging interest in doing business in Vietnam, especially since the lifting of the U.S. trade embargo. Sitting on the panel were Mr. Charles Brooke, Senior Partner at Brooke Hillier Parker, Mr. Ekkehard Goetting, Chief Representative of the Association of German Chambers of Industry & Commerce, and Mr. Ed Rubin, Managing Director of Corton Hill Investments.

Economic indicators clearly demonstrate the viability of Vietnam as an emerging market, but panelists echoed the same warning — do your homework. While it's neither too early nor too late to invest in Vietnam, there are clear risks, so it is advisable to weigh these against the potential rewards.

According to Mr. Brooke, investments in property make up 50 per cent of all current projects in Vietnam, primarily in Hanoi and Ho Chi Minh City. The main growth area is residential property, but the office sector is a strong secondary mar-

ket. The only way to keep up is to be there. He suggests staffing locally to keep costs down initially. One local staff person costs between US\$1,500-2,000 per month, and a representative office can be maintained at a low annual cost of about US\$180,000.

Lack of money on the Vietnamese side, the need for infrastructure improvements, and bureaucracy are the biggest obstacles to doing business in Vietnam, according to Mr. Rubin. Everything is done in cash in Vietnam and there is no Bank of China, which helped pave the way for foreign investment in China. Problems with power, water quality, and the lack of legal infrastructure are issues still to be tackled by the Vietnamese government. Water treatment, claims Rubin, is an unrecognized opportunity. The legacy of bureaucracy left behind by the French, along with the bureaucracy inherent in a communist system continues to be a challenge.

On the positive side, the workforce is well educated, ambitious, and disciplined. The Vietnamese people have a "can do" attitude and a history of making due with very little. The country is rich in natural resources and, while still a poor country, benefits from money remitted back from Vietnamese overseas.

Even if the investment is high, many companies are beginning to feel they have no choice but to be in Vietnam. With clear objectives and eyes open, now is likely the time to make the move. ♦