

UPDATE

MONTHLY NEWSLETTER FOR THE GREATER SEATTLE VIETNAM ASSOCIATION

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Haiphong will be host for Sister City Signing

Seattle dignitaries will travel to Haiphong on Monday October 28 to sign the Sister City agreement that the two cities have been preparing for during the last year and a half. Final approval for the alliance came from the Seattle City Council on September 30.

Seattle City Council member Sue Donaldson, designated as official liaison for the ceremony, will lead the delegation, and sign the document for Seattle. The Seattle group will include William Glassford, the Senior Vice President of Seafirst Bank for International Banking, who is also a member of the Advisory Council of the Greater Seattle Vietnam Association (GSVA), and Gary Johnson, Vice President of GSVA and Neighborhood Coordinator for the City of Seattle. Signing for Haiphong will be the new Chairman of the Peoples' Committee for Haiphong City, Tran Huy Nang.

The two cities have already established plans for Seattle teachers to participate in a program for teaching conversational English at the Haiphong Foreign Languages Center and for Seattle Librarians to assist in the upgrading of

the Haiphong Public Library. In addition, school children from the two cities have exchanged "Pen Pal" letters and drawings. Other projects are in the planning stage.

The programs were created and will be implemented by representatives of the GSVA Seattle-Haiphong Sister Cities Committee in collaboration with their counterparts in Haiphong.

According to Norma Mohr, President of GSVA, the Seattle organization also intends to open discussions with Haiphong for creation of a special business and trade relationship.

GSVA plans to invite Haiphong authorities to Seattle within the next several months for follow-up meetings to discuss possible new links serving mutual interests of both sides.

The alliance between Seattle and Haiphong, the large port city on the Gulf of Tonkin, was created according to guidelines established by the City of Seattle, and guidelines of Sister Cities International.

Profile of a Winning business

Fluke Corporation Links Everett and Vietnam

The temptation to kid around with the name is strong, but the Fluke Corporation has established a presence in Vietnam which is no joke.

Fluke's Worldwide Headquarters are located on a campus near the Boeing plant in Everett, WA. Ms. Linda S. Cheever is Fluke's General Manager for Intercon(tinental) Operations.

"Fluke is committed to aggressively developing new markets", says Ms. Cheever. "That means getting in early and building strong customer relationships. In Vietnam, much like China, relationships need to be built both from the top down, by working with the government, and from the bottom up, with the end-user. Government ministries control most decision-making in the country."

Cheever can speak of Asia with authority. She studied Chinese politics and economics, earning an MA from the University of Washington,

and then topped it off with an MBA in International Finance. She speaks Chinese fluently. She worked for several years in intercon operations with Hewlett Packard before joining Fluke Corporation in 1986.

Fluke started in a Connecticut basement in 1948, producing power meters for General Electric. Today Fluke Corporation has annual sales above \$400 million, over 2500 employees, and manufacturing plants on two continents. Fluke produces what they modestly refer to as "tools". Chiefly, these are hand-held electronic test tools with arm-length names: nameslike "documenting process calibrators", "bench/system multimeters", "power harmonics meters", and plain old "oscilloscopes". A Fluke brochure reassuringly states: "We make calibration instruments and software, and have the standards and services required to calibrate our calibrators."

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Fluke Corporation Links Vietnam and Everett

Linda Cheever says, "Early this decade, the European Union set international standards for countries wishing to export manufactured goods to Europe: ISO 9000. Fluke was the first company in Washington state to be ISO 9000 certified. In order for a country to compete internationally, it must be able to ensure the consistent quality of its manufactured products. We sell calibration testing equipment by which they can standardize their production.

"Vietnam has an Institute of Metrology in Hanoi; they have trained metrologists. But their equipment is obsolete; mostly 20 or 30 year old Soviet-made. Fluke's prospects for calibration sales in Vietnam over the next several years are excellent. The Fluke pattern generator line is also popular among TV set manufacturers in the south of Vietnam."

Cheever credits Fluke Senior Vice President Ron Wambolt for Fluke's entry to Vietnam. The US government first permitted US companies to open liaison offices and begin commercial discussions with Vietnamese customers in December 1992. In February 1993, Cheever and Wambolt made an exploratory visit to Vietnam with the assistance of Fluke's Hong Kong representative, Schmidt & Co. Schmidt Vietnam is well-connected in Vietnam, having provided humanitarian aid and the sale of medical instruments there for over 20 years. Cheever and Wambolt liked both Vietnam and Schmidt. "Schmidt has an impressive management program there", said Cheever. "They have a rapidly growing local management team, Vietnamese who are talented and quick learners". Fluke immediately appointed Schmidt Vietnam its exclusive Vietnam representative.

Traffic between Vietnam and Everett has been steady ever since. Fluke hosted a delegation from Vietnam the winter of '93-'94. In January, 1994, Linda Cheever returned to Hanoi and HCMC, presenting a public seminar on the philosophy of calibration which was featured on Hanoi's television news.

Fluke participated in two 1994 technology trade fairs in Vietnam. Vietnamese sales and service staff trained at Fluke Everett early in '95. The latest visit came in mid-September of this year when Vietnam's Ministry of Science, Technology and Environment (MOSTE) sent two ministers to a Fluke seminar.

"MOSTE is our primary partner in Vietnam", says Cheever. "Dr. Dang Huu is the MOSTE Minister. He is responsible for the Metrology Institute in Hanoi. We made a proposal to them for development of a national calibration management system which is now under review."

Fluke's Vietnam sales have increased by 100% per year to date and Cheever is guardedly optimistic about the future. "We have done much better than expected in Vietnam already and we anticipate strong further growth," she says, "if they have international funding, like the World Bank or IMF.

"In China, there were funds, for education, universities, labs, factories. But in Vietnam, the funding is not yet there, to purchase our kind of equipment, expensive equipment. We have had some success with the military and some factories. But we have had (sales) difficulties with city and provincial governments. They have no money. But if the hard work and the energy of the people is the measure, funding is deserved."

So far, Cheever has made four trips to Vietnam, but has not yet been outside of Hanoi and Ho Chi Minh City. Although she is a serious and highly successful businesswoman, she is not immune to the Vietnam that has charmed less focused visitors. Her voice betrays a wistful fondness when she speaks of Vietnam. She hopes to get into the countryside, to visit minority villages or cruise Ha Long Bay.

by Scott Wild

Greater Seattle Vietnam Association

A grassroots, non-profit, duly incorporated and registered organization dedicated to helping the people of Seattle create and maintain links with the people of Vietnam.

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Seattle Business Writer says Conditions in Vietnam are Improving

A Seattle financial writer now working in Ho Chi Minh City has taken the pulse of the Vietnamese economy and declares that the patient is well and thriving.

Sam Korsmoe of the Vietnam Business Journal was back in Seattle briefly and spoke at a meeting October 9 of the Trade Development Alliance of the Greater Seattle Chamber of Commerce. He said foreign investments in Vietnam were climbing and the country is maintaining a steady growth rate matching or surpassing other countries of the region. He pointed that investments from other Asian countries continue to dominate the economy.

A total of 60 percent of investments are from Asian countries. Vietnam's top five investors are from Asia. The United States is sixth. He said, however, that Vietnam continues to seek more American participation because it needs diversity and because American goods and manufacturing capability are highly valued.

Many Vietnamese Americans are going back to their homeland, taking investment capital with them. Usually they set up small businesses, with considerable assistance from the government. Finding the right partner continues to be essential for the foreign investor. Korsmoe said it is highly recommended that the newcomer from abroad choose a joint venture with a state owned company. A carefully selected partner with government connections would be most likely to have up-to-date information and some freedom to travel.

Enterprise zones, many set up by Asian investors, are increasing in popularity. Separate enterprise zones, communities, and cities are competing energetically for the attention of investors, offering attractive promotion material about advantages of specific infrastructure each place offers and about special assistance that may be offered in securing financing.

The writer observed that many foreigners interested in the Vietnamese economy were disappointed that the 8th Party Congress did not mandate sweeping economic reforms. But he said some people, including himself, were encouraged that Party members were so open with the press and public.

Korsmoe said that investors previously had hoped to escape the obligation to set up Party cells within their enterprises. But now, he said, it has become apparent that Party cells often may help the company in interpreting policy issues and gaining critical information.

On another point, the writer said he hears many people express fears that Vietnam may turn into "another Bangkok." Observers say they mostly worry about prostitution, drugs and AIDS.

Although Korsmoe is based in Ho Chi Minh City, he reported that the north is developing particularly fast, especially Haiphong. He said that northern port city has "enormous potential to do great stuff."

A Sister At Last, GSVA Needs More Members and Money

The Greater Seattle Vietnam Association has launched its annual membership drive. It couldn't come at a better time. With the new Sister City relationship settled, GSVA needs all the help it can get. Projects will be funded mostly by grants and donations. Operating expenses, which are mounting, are paid mostly by membership dues.

The biggest operating expense is producing and mailing *UPDATE*, and GSVA's fiscally responsible Board of Directors recommends it chip away at the subscription list.

The membership campaign is in two stages:

- In last month's *UPDATE*, membership applications were enclosed for folks who have been on the subscription list but who have not yet joined GSVA. Individuals who do not respond will get a reminder call. Anyone who still doesn't want to take part risks losing his or her place on the list.
- GSVA has begun mailing notices inviting renewal by members who joined the organization one year ago or longer. These notices will be mailed on a monthly basis, according to the anniversary of each membership. After a "grace" period anyone who still does not renew may lose *UPDATE*.



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