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INDUSTRY NEWS UPDATE

China, Vietnam settle long-disputed land border

Communist China and Vietnam on Wednesday said they had settled their long disputed land border, only hours before the deadline was due to expire and nearly 30 years after they fought a border war. Beijing and Hanoi -- who normalized relations in 1991 and are now major trade partners -- have sought to overcome a history of conflict and distrust to turn the former battlefields into a transnational economic growth area.

Government teams from both sides have worked for years to plant border stones to mark their approximately 1,400 kilometer (870-mile) frontier in the remote and mountainous region, to meet a 2008 deadline agreed nine years ago.

On New Year's Eve, hours before the midnight deadline, both sides issued a joint statement in Hanoi saying they had "finalized the demarcation and placement of markers along the entire land border between Vietnam and China."

The countries, represented by Chinese Vice Foreign Minister Wu Dawei and his Vietnamese counterpart Vu Dung, hailed the agreement as "an event of great historical significance for relations between Vietnam and China."

They said it was the first time China and Vietnam had defined a clear territorial border with modern land-markers, and they pledged to work for "peace, stability and mutual development in the border areas."

Next February 17 marks 30 years since China invaded Vietnam, sparking a month-long border war that claimed tens of thousands of lives.

China -- having backed Hanoi during the Vietnam war -- then sought to punish Vietnam for invading Cambodia in 1978 and ousting the genocidal Khmer Rouge regime of Pol Pot, the radical Maoist leader who was backed by Beijing.

When China officially declared war, it also cited the alleged mistreatment of Vietnam's ethnic Chinese and Hanoi's occupation of several of the Spratly Islands, a territorial dispute which has yet to be resolved.

Four weeks after fighting began, China suddenly withdrew, with both sides claiming victory, although skirmishes continued for years.

By most historical accounts the Sino-Vietnamese war ended in a costly stalemate for China against battle-hardened Vietnamese troops. China eventually tallied 26,000 dead combatants and Vietnam an estimated 37,000.

The border area remains littered with landmines which, according to a Xinhua report this week, have killed and maimed thousands of Chinese since.

Today China and Vietnam, despite the lingering maritime dispute, say they plan to turn the land border zone into a region of "peace and prosperity".

Under the plan, Vietnam's poor far-north is set to be transformed with industrial projects and new road and rail links that would connect China's Yunnan and Guangxi provinces with Vietnam's Haiphong seaport.

The economic corridors, part of a web of highways linking China with Southeast Asia, would help boost annual two-way trade to a targeted 25 billion dollars by 2010 from 16 billion dollars last year.

Vietnam's Prime Minister Nguyen Tan Dung in October visited Beijing, striking political agreements and business deals, including in oil exploration.

The two sides, however, did not settle the hot-button issue of the Spratlys, a strategic and possibly oil and gas rich island chain in the South China Sea also claimed by Taiwan, Brunei, Malaysia and the Philippines.

The dispute -- in which Chinese naval vessels have in the past fired on Vietnamese fishing boats -- has stirred strong nationalistic passions on both sides and sparked rare anti-Beijing street protests in Vietnam.

(Source: SGGP - AFP, Dated 1st January 2009)