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LETTER DATED 15 DECEMBER 1990 FROM THE PERMANENT REPRESENTATIVE
OF VIET NAM TO THE UNITED NATIONS ADDRESSED TO THE PRESIDENT OF
THE SECURITY COUNCIL

In my letter dated 31 August 1990 (S/21696), I had already conveyed to the Secretary-General that the Government of the Socialist Republic of Viet Nam has been following with deep concern the situation in the Gulf region and that it hopes that the situation will soon be solved through peaceful means and within the framework of Arab countries. The Vietnamese Government will comply with Security Council resolution 661 (1990).

The strict implementation of Security Council resolution 661 (1990) has however given rise to special economic problems for Viet Nam. A memorandum outlining some of the adverse impact on Viet Nam's economy is enclosed (see annex).

Upon the instructions from my Government, I have the honour to request the Security Council and the United Nations for assistance in accordance with Article 50 of the Charter of the United Nations.

I should be grateful if this letter and its annex are circulated as a document of the Security Council.

(Signed) TRINH XUAN LANG
Ambassador
Permanent Representative
of Viet Nam to the United Nations

Annex

Memorandum on the economic, commercial and financial impact on
Viet Nam resulting from restrictions on economic relations
with Iraq and Kuwait

As an underdeveloped country whose economy was devastated during many years of war, Viet Nam's strict implementation of Security Council resolution 661 (1990) has had an immediate and serious impact on Viet Nam's fragile economy, especially at a time when Viet Nam has begun a renewal process with a view to transforming its economy from a system of bureaucratic and centralized management based on State subsidies into an economy of commodity production and at a time when Viet Nam has begun implementing the plan for the voluntary repatriation of Vietnamese refugees.

The following are some of the losses inflicted on Viet Nam's economy as a result of Viet Nam's strict implementation of Security Council resolution 661 (1990):

A. <u>Direct impact</u>	(United States dollars)
1. Losses in exports to Iraq	
(a) Goods already shipped but that could not reach Iraq	500 000
(b) Goods to be delivered as per contracts already signed but that now must be cancelled	6 500 000
(c) Value of contracts ready for signing with Iraq but that now will have to be dropped	3 500 000
2. Total loss for the Government of Viet Nam due to abrupt termination of contracts of 16,305 Vietnamese workers working in Iraq	112 602 290
3. Value of contracts already signed with Iraq for a further 10,000 Vietnamese workers to work in Iraq that are now suspended	53 080 000
4. Total value of loans and credits which Kuwait provided Viet Nam for the construction of an irrigation project and some other projects in the central highland areas of Viet Nam. All this has now been suspended	30 000 000

B. Indirect impact (United States dollars)

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| 1. Total local costs in Viet Nam incurred due to the return of 16,305 workers (costs in terms of settlement allowances, employment arrangements, job retraining, etc.) | 8 528 600 |
| 2. Additional costs for oil imports until the end of 1990 owing to the increase in oil price | 100 000 000 |
| 3. Additional costs incurred for imports of chemical fertilizers | 12 500 000 |
| 4. Additional costs incurred for imports of various chemicals, plastics and iron, etc. (approximate) | <u>50 000 000</u> |
| Total | <u>377 210 890</u> |
5. Other impact on the country's economy that can not be estimated yet:
- (a) Transportation costs increased by:
 - (i) 70 per cent for road transport;
 - (ii) 13 per cent for rail transport;
 - (iii) 30 per cent for maritime transport;
 - (b) Additional production cost for coal mining (estimated increase from 80,000 Vietnamese dong to 120,000 dong per ton);
 - (c) Additional production cost for power generation (increased from 167 dong/KW to 213 dong)

The overall impact of the Gulf crisis on such an economy in transition as that of Viet Nam is extremely damaging. This is in terms not only of adverse effects on the country's socio-economic development efforts and plans, but also of direct effects on the current living conditions of the people.

It is in this context that Viet Nam seeks assistance from the United Nations and international agencies to overcome those difficulties.