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Background Briefing:

Vietnam: Dinh La Thang Victim of Factional In-Fighting?

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We request your assessment of the following:

Q1 Is it the end of the tunnel for Mr Dinh La Thang after being removed from his post on the Politburo? Can he still have a decent political career? What can we infer by the fact that he has not been kicked out of the party and has a new appointment in the central committee?

ANSWER: Thang still retains his membership on the Central Committee and so has at least three years to redeem himself or to retire. His appointment as a deputy head of the Central Committee Economics Commission seems to indicate he is being spared outright dismissal and will be left to serve his tenure out of the limelight. While no evidence has emerged that Thang personally profited from corrupt acts, he has been exposed as a weak administrator at PetroVietnam (PVN). Those who supported Thang's rise will now have to look elsewhere for a patron. It seems likely that Thang will rise no further under the present leadership.

Q2 Several critics claim that the recent high-profile arrests and trials are mainly the result of political infighting between former Prime Minister Nguyen Tan Dung and the part chief Nguyen Phu Trong? And Mr Thang's removal is also related to this infighting. Is this truth? What is your take on this?

ANSWER: In the lead up to the 12th party congress Dinh La Thang was not included on a draft list of potential candidates until a group of his supporters successfully got his name on the ballot. Thang was elected to the Central Committee but not by an outstanding margin. He has a support base but it is too simplistic to view all in-fighting in Hanoi as between the supporters of Secretary General Trong and former Prime Minister Dung. Dung failed and went quietly into the night. Thang's support base comes from those who have benefitted from his tenure at PetroVietnam or as Minister of Transport. His style was more modern than his peers.

Thang failed to supervise his subordinates at PVN and he approved investment decisions that with hindsight appear unwise. Since Vietnam criminalises individuals or causing severe losses to the state it was only a matter of time that the anti-corruption investigation would move up and expose Thang's failure to exercise due diligence. My understanding is that Secretary General Trong and a small group spent seven months

studying this case before acting. The corruption and mismanagement issues at PVN were too big to ignore.

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