General Studies-2; Topic- Bilateral, regional and global groupings and agreements involving India and/or affecting India’s interests

India-Vietnam Relations

1) Introduction
   • Recently Indian President Ram Nath Kovind held a three day visit to Vietnam.
   • India and Vietnam agreed to further strengthen bilateral cooperation in defence, peaceful uses of atomic energy and outer space, science and technology, oil and gas, infrastructure development, agriculture and innovation-based sectors.
   • Vietnam is critical for India’s foreign policy at the regional and systemic levels.

2) Bilateral Relations
   • Cultural and economic links between India and Vietnam date back to 2nd century.
   • India and Vietnam have robust trade and economic relations with bilateral trade of USD 12.8 billion in 2017-18.
   • Trade and economic linkages continue to grow.
   • Defence Cooperation has emerged as a significant pillar of India's strategic partnership with Vietnam.
   • Military exchanges between India and Vietnam are quite robust. The two sides conducted their first-ever bilateral land warfare and naval exercises in early 2018.
   • Indian ships regularly make friendly port calls to Vietnam.
   • For the first time, a Vietnamese ship participated in the International Fleet Review at Vishakhapatnam, in February 2016.
   • The Indian Business Chamber (INCHAM) is an organisation of Indians living in Vietnam, primarily to promote trade and business interactions.
   • The Indian Cultural Centre was opened in Hanoi in September 2016, with the objective of strengthening India's cultural presence in Vietnam.

3) Significance of the Relationship
   • India's first Prime Minister Pandit Jawaharlal Nehru was one of the first visitors to Vietnam after its victory against the French at Dien Bien Phu in 1954.
   • Vietnam is a strategic pillar of India’s Act East Policy, and key interlocutor in ASEAN.
   • Over the years, political contacts have strengthened as reflected in several high-level visits by leaders from both sides.
   • India's thrust under the 'Act East' policy combined with Vietnam's growing engagement within the region and with India has paid rich dividends.
   • India and Vietnam closely cooperate in various regional forums such as ASEAN, East Asia Summit, Mekong Ganga Cooperation, Asia Europe Meeting (ASEM) besides UN and WTO.
   • Both India and Vietnam possess the capacity to find compatibility in areas promoting defence cooperation and infrastructure simultaneously.
   • Vietnam, which is under maritime pressure from China’s activities in the South China Sea (SCS), wants India to deepen its military engagement further.

4) India’s Assistance to Vietnam
   • The Archaeological Survey of India is helping Vietnam in the preservation and conservation of some of the temples.
• Since 1976, India has offered several Lines of Credit (LoCs) to Vietnam over the years on concessional terms and conditions.
• Vietnam has been a large recipient of training programmes under Indian Technical and Economic Cooperation (ITEC) programme.

5) **Focus on Sub-Regionalism**
• As ASEAN continues to focus on its centrality in the region, there will be shifts in smaller members of ASEAN due to China’s rise.
• Vietnam is focussing on both sub-regionalism and regionalism as the core of its priorities.
• India too looks at both sub-regionalism and regionalism as priority avenues to pursue its foreign policy.
• The India-Vietnam Joint Statement of March 2018 reiterates the focus given to sub-regionalism.
• Another area that is emerging is the Cambodia-Laos-Vietnam growth triangle sub-regional cooperation.
• India and Vietnam can jointly explore the potential for enhancing capacity building and providing technical assistance and training within this sub-regional grouping.

6) **Common Concerns**
• An area of potential convergence for both Vietnam and India is health care.
• Vietnam has highlighted the importance of linking economic growth to universal health care, whereby 80% population would be covered by health insurance.
• India too, since 2011, has been focussing on the need to deliver accessible and affordable health insurance to weaker sections of society.
• A potential area of convergence in the realm of health care through joint public-private partnership agreements can be explored by the two countries.
• Today there is increasing security concerns in the areas of maritime security and adherence to the United Nations Convention on the Law of the Sea.

7) **Concerns / Challenges**
• Vietnam opposed the “Quad” or quadrilateral coalition among India, the US, Japan and Australia.
• The proposed sale of the BrahMos supersonic cruise missile has taken a back seat as there has been no response from Hanoi.
• The $ 500 mn line of credit offered in 2016 has yet to be operationalised for facilitating deeper defence cooperation.

8) **Conclusion**
• While the ties have progressed under the Look East and Act East Policies, going forward they need to factor in pragmatism, helping relations to move forward.