



## The Big Picture: India - Vietnam Relations

The Vice President of India took an official visit to Vietnam from 9-12<sup>th</sup> May 2019. India and Vietnam have agreed to further strengthen cooperation in defence and security, peaceful uses of atomic energy and outer space, oil and gas, renewable energy, agriculture and innovation-based sectors.

### Evolution of the Relationship

- The bilateral relations between India and Vietnam are truly historical, civilizational, cultural and are marked by mutual respect, trust and understanding. Both the countries not only cooperate bilaterally but also in regional and international fora.
- In the area of political relations between the two countries, the **strategic partnership was established in 2007** and this was upgraded to a **comprehensive strategic partnership in 2016**.
  - Besides India, there are only two countries China and Russia with whom Vietnam has such a comprehensive strategic partnership.
- When the then President of India visited Vietnam in 2014, a **line of credit of 100 million dollars** was given to Vietnam to purchase four patrol vessels.
- The year 2017 was the very significant year as it marked the **10<sup>th</sup> anniversary of the establishment of the strategic partnership** and 45<sup>th</sup> anniversary of the establishment of bilateral relations in 1972.
- The year 2018 was the landmark year in terms of bringing the two countries closer. In the month of January, Vietnamese President came to India to participate as one of the **chief guest in India's Republic Day celebrations**.
- At present, the **bilateral trade exchanges** are to the tune of about 13 billion dollars and India expects to increase the same by 15 billion dollars by 2020.
- In the area of people to people connect, the **Indian Culture Centre** has been established in Vietnam in 2017. Similarly, a centre of Vietnamese Relation has been established in India. A **centre of Indian studies** has also been established in the universities of Vietnam.
- In 2015, there was a **five year defence cooperation** or a joint vision was mentioned or agreed to, in which the most important area was the capacity building of the Vietnamese forces.
- There is a **Earth satellite observation tracking and telemetry station** that has been established as part of the India- ASEAN program but Vietnam gets some special facilities like downloading the satellite photos which provide them the maritime domain awareness and view of what happening in the South China Sea.
- India and Vietnam has recently concluded second iteration of their bilateral naval exercise. Vietnam Navy also takes part in many of the multilateral naval exercises which India initiates like the **Milan series of exercise** and nation Vietnam as the part of **ADMM+** (ASEAN Defence Ministers' Meeting Plus) framework where armed forces are cooperating with India.

### Cultural Proximity

- Possibly in terms of cultural proximity, India is much closer to Thailand (Buddhism, Hinduism, Brhamical Rights) and Cambodia (Angkor Wat renovation). Vietnam is little distant in that sense.
  - Also, in case of Indonesia (especially Jakarta, Borobudur, and Bali) due to the historical

experience of the Srivijaya empire from the 6<sup>th</sup> century AD till about 13-14<sup>th</sup> century AD, the impact of Indian cultural civilization in terms of architecture and sculptors is very clearly visible.

- Number of **Indian residents** in Vietnam are just about 3000. But as far as the cham culture of Vietnam is considered, it maintains very close proximity to the Indian culture and civilization.
- Also, **Buddhism** binds the two countries together.

## Convergence of Views

- Both India and Vietnam have the same position as far as the issues in the **maritime area of South China Sea** are concerned. Both of them regard the area as Indo Pacific and China is not happy with the same.
- When the President of India had visited Vietnam last year, then the joint agreement besides other things, included maintenance of peace and tranquility, security and prosperity in the **Indo Pacific area**, ensuring that the sea lanes of communication are maintained, overflights are maintained and international maritime law is respected.
- Both the countries are tackling with situations like rise of China, lack of sort of support from the America to the regional security architecture and the flux within the ASEAN.
- There is a desire within the **ASEAN member states** to see India emerge as a security provider in some sense. Vietnam becomes very important nation for India as it provides it that leeway into the larger South Asian architecture.

## Other Potential Areas of Cooperation

- In terms of investment, it is about 1 billion dollars as far as India's investment in Vietnam is concerned and not significant as far as the Vietnamese investment in India is concerned.
  - There is a huge potential in the **investment sector** as Vietnamese economy is growing very rapidly and Indian economy, as everyone knows, is the fastest growing major economy.
- There is a great possibility of two countries working together, identifying new areas and sectors of cooperation. **Oil and gas exploration** is definitely one among them.
  - **India's OVL (ONGC Videsh Limited)** and the **Vietnamese Petroleum** are cooperating in the high seas in the Exclusive Economic Zone of the Vietnam for prospecting oil and gas. There is a problem because the two blocks on which they are prospecting 127 and 128, China maintains that they are part of its territory.
- Besides pharmaceuticals, new areas like IT, agro-chemicals, agro-processing can be explored together.
- The **defence relationship** has not yet moved into that kind of speed. In case of defence market, India has been trying the possibilities of exploring and also doing some sort of co-production with Vietnam.
  - About two years back, there were discussions on Vietnam importing some defence systems like Surface to Air Missiles, from India, but such discussions have not moved forward yet.
- Besides improving operational issues with Vietnam, India can provide it with improved surveillance or reconnaissance capabilities.

*Vietnam has emerged as a very important region for India's interest in the larger ASEAN context i.e in the larger South Asian region. The prism through which both the countries look at regional security is also quite similar. Both the countries, by exploring different areas together, can come more close to each other.*