Indo-Vietnam Bilateral Relations 2000-2017

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ABSTRACT

With 42 years of diplomatic relations between the two countries, India and Vietnam relations today stand at a point where both the countries aim to promote peace, stability, prosperity and development in South East Asia. India has always stressed on the importance of peace and good bilateral relations with other countries and Vietnam is among one of those countries that figures very prominently in Indian diplomatic relations as can be apparent from the Look East Policy. Capitalising on common Buddhist links and the anti-colonial movements, India-Vietnam relations are growing from strength to strength as it was evident from the visit of Prime Minister Nguyen Tan Dung to India on the 27th and 28th October 2014. This paper tries to explain the boost in political and defence relations post 2000 ranging till present day relations. It has laid importance on landmark events that has occurred like the signing of 2003 Joint Declaration on a Framework of Comprehensive Cooperation, 2007 Strategic Partnership agreement and the celebration of ‘Year of Friendship’ in 2012 which marked the 40th anniversary of India-Vietnam diplomatic relations. This paper tries to delve into the current situation by assessing the future prospects between the two countries.

Keywords: Diplomatic relations, strategic gains, bilateral visits, economy, trade and investment

Historical Background

India and Vietnam both countries colonised, gained independence after historic national movements. India professed a non-violent movement and gained independence on the 15th of August 1947. Vietnam fought the French and delivered a blow by defeating them in 1954 at Dien Bien Phu. India immediately congratulated Vietnam thereby establishing diplomatic relations. After the Sino-India war in 1962 India was faced with a situation following which all South-East Asian countries excepting Malaysia refused to side with India. North Vietnam also took a pro-Chinese stand and it was not until 1969 that relations between China and Vietnam grew bitter. With the Sino Soviet ideological clash Vietnam sided with Former Soviet Union and when India signed Peace and Friendship Treaty with Former USSR in 1971, both India and North Vietnam cleared their differences. Vietnam in 1975 defeated United States which withdrew from the country in the same year and on 2nd January 1975 Vietnam united under the Socialist Republic of Vietnam. The relations between the two countries grew from strength to strength eventually with India being the only non-communist state to support it during the Cambodian Crisis. India threw caution to the wind and even jeopardised its chances of being included in the ASEAN.

The relation between the two countries since then has been stable. India even extended credit of Rupees 40 Crores to Vietnam in 1978 till 1980; it provided loans on
wheat flour and rice worth Rupees 50 and Rupees 20 Crores respectively. Further India agreed on cooperating in science and technology under which it helped setting up a buffalo breeding centre and a rice research centre worth Rupees 186.25 Lakhs. India and Vietnam signed a cultural exchange programme on 10th April, 1980 and another programme for cooperation in technology. Other than this the relations was characterised by high level exchange visits. After the end of Cold war and the withdrawal of Vietnam from Cambodia that Vietnam’s relation with other South-East Asian nations improved, with Vietnam ultimately becoming a part of the ASEAN in 1995. It is against this backdrop that both countries entered a new phase of diplomacy post 2000.

**India-Vietnam Political Relations**

Diplomatic relations between India and Vietnam were established soon after Vietnam’s independence in 1954 when Jawaharlal Nehru visited Vietnam, followed by Prime Minister Phan Van Dong visiting India in 1956. Later in 1958 President Ho Chi Minh also visited India. The bilateral diplomatic relations at the ambassadorial level was established on 7th January 1972. Once the relations were established both countries became involved in addressing their internal issues and it was not until 1980 when India recognised the Heng Samrin government in Cambodia that Vietnam become a vital aspect in Indian foreign policy.

It was under P.V.N. Rao that in 1992 the Look East Policy was formulated and in 2012 it completed its two decades of successful proceedings with the South East Asian countries. It was under Look East Policy that a special unit in the Ministry of External Affairs of India was established, nomenclature as CLMV (Cambodia, Laos PDR, Myanmar, and Vietnam) desk. Vietnam has also been very supportive towards India at many occasions. Vietnam has supported India’s inclusion in the APEC, despite stiff resistance faced from the Chinese, Vietnam continued to support India’s inclusion in the East Asia Summit which was formulated in 2002 and now also has India as a member. India has also been demanding for a permanent seat in the United Nations Security Council for some time now, this demand is also supported by Vietnam. One can also note that Pakistan has also been demanding the membership of ASEAN Regional Forum which was formed in 1993 however Vietnam has opposed its inclusion in the grouping. As for India, it is supporting Vietnam’s demand for a peaceful resolution to the South China Sea crisis and also supports Vietnam’s demand for the inclusion of other parties in the mediation process unlike China who wants to settle the problem bilaterally. India is also supporting Vietnam economically to help it bridge the gap with the bigger economies of ASEAN. Vietnam has also taken a step forward by enhancing its diplomatic relations; in 1989 Vietnam had relations with only 23 non-communist states and in 1995 when it joined ASEAN it started to work on its bilateral relations and by 1996 Vietnam had established diplomatic relations with 163 countries.

India and Vietnam are jointly engaged in several projects, one of them is the Ganga-Mekong Project. This project is between India and the three countries located in the Mekong region, they being Vietnam, Cambodia, and Laos PDR. The project intends at enhancing greater trade and investment. It aims at facilitating synergy between the governments, civil society and other stake holders for all of them to learn from each other and in return to apply their strengths to enhance the other’s perspectives and abilities. The Ganga-Mekong project aims at creating a grid of cooperation within the region. It plans on establishing two economically oriented corridors the East-West economic corridor and the North-South economic corridor. Other than this, India and Vietnam are also part of the EAS, ADMM+, ARF, ASEM and the MGC. The MGC was established in 2000, aiming to promote sectorial cooperation in the field of transportation, tourism, Human Rights and
culture. However the progress of MGC has been affected by the creation of Greater Mekong Sub-region (GMS) sponsored by the Asian Development Bank in which China is taking a proactive part. Apart from this both the countries are involved in initiating a direct rail link from Delhi-Hanoi and in October 2011, Vietnam Airlines and Jet Airways signed a Memorandum of Understanding on comprehensive cooperation which includes commencing of direct flights in the near future.

India and Vietnam in May 2003 signed a Joint Declaration on a Framework of Comprehensive Cooperation. According to the agreement both the countries decided to

- conduct regular high-level meetings
- have close cooperation in United Nations and other international organisations
- expand cooperation in the security and defence fields
- And safeguard areas of mutual interest.

However the agreement signed between the two countries was slowed down when the BJP led coalition government was replaced by the UPA government in the following general elections of India. In 2004 the then Foreign Minister Natwar Singh visited Vietnam and the outcome included boost in economic, trade, cultural, science and technological cooperation.

Both the countries hence have undertaken positive steps to strengthen their relationship. Post 2000, as it can be seen, many important high-level visits were undertaken by both the countries. From the Indian side, in the year 2000, the then Defence Minister George Fernandes visited Vietnam followed by, The Prime Minister Atal B Vajpayee in 2001, Foreign Minister Natwar Singh in 2004, Home Minister Shivraj V Patil in October 2007, Defence Minister A.K. Antony in December 2007, Speaker of Lok Sabha Somnath Chatterjee also in 2007 President Smt. Pratibha Patil in November 2008, Defence Minister A.K. Antony again in October 2010, Prime Minister Manmohan Singh in October 2010 to attend the East Asia Summit and the ASEAN-India Summit, Speaker of Lok Sabha Meira Kumar in May 2011, External Affairs Minister S.M. Krishna in September 2011, Vice-President Md. Hamid Ansari on 14th-17th January 2012 to represent India for the closing ceremony of India-Vietnam Friendship Year of 2012, Minister for Agriculture Mr Sharad Pawar in October 2012, Minister of State for Tourism, Dr. K. Chiranjeevi in January 2013, Minister of State for Commerce and Industry Dr. D. Purandeswari to Ho Chi Minh City in April 2013, Minister of Shipping Mr. G.K. Vasan in May 2013, during which the bilateral Maritime Shipping Agreement was signed. In August 2014 External Affairs Minister Sushma Swaraj paid a visit to Hanoi, and September 2014 was marked by the State Visit of President of India Shri Pranab Mukherjee to Vietnam.

From the Vietnamese side, the visits include the General Secretary of the Communist Party of Vietnam Mr Nong Duc Manh in 2003, Prime Minister Mr Nguyen Tan Dung, in 2007, Vice-President Nguyen Thi Doan in 2009 and Chairman, National Assembly of Vietnam Mr Nguyen Phu Trong in 2010, President Mr Truong Tan Sang in October 2011 and General Secretary of the Communist Party of Vietnam Mr Nguyen Phu Trong in November 2013. Prime Minister Mr Nguyen Tan Dung visited India in December 2012 to participate in the India-ASEAN Commemorative Summit. Prime Minister Mr Nguyen Tan Dung visited India twice in 2014 once during June and again on 27th October 2014 where he met his Indian counterpart Mr Narendra Modi.

The result of the visit has led to the two countries signing of seven agreements in the fields of strategic, defence and cultural partnership on 28th October along with this came the decision of India to help strengthen Vietnamese Defence Forces by supplying it 4 offshore patrol boats and it is also extending $ 100 million for its defence purchase which will enable Vietnam to purchase the required naval vessels. The two countries
signed agreements including one MOU for exploration by OVL in the two blocks in South China Sea and the second between OVL and Petro Vietnam to enhance mutual cooperation in the hydrocarbon sector. Along with this a branch of Bank of India in collaboration with the State Bank of Vietnam will be opening in Vietnam, as a result of agreement between Jet Airways and Vietnam Airways it was proposed that there wold be the commencement of Jet Airways direct flight to Ho Chi Minh City from 5th November, 2104 onwards, however this goal is yet to be achieved. A MOU was also signed which will initiate the establishment of Nalanda University in India another MOU following which India will provide expertise and assistance to help restoring the Group of Temples at the World Heritage site My Son, in Quang Nam Province of Vietnam. In September 2016, Indian Prime Minister Narendra Modi issued a joint statement with reference to the South China Sea, calling for resolving the issue peacefully and in accordance to international law. India is in support of open navigation in the waters of South China Sea, this may be in favour of Vietnam, but China does not seem particularly happy with the situation.

Bilateral relations between India and Vietnam have been rather steady; however with the emergence of new players in global politics, India will have to take definitive steps for the relation to prosper. India will have to engage Vietnam more comprehensively; it can conduct more one to one dialogue opportunities with Vietnam to discuss common goals and issues. Over the years there has been concrete steps undertaken by New Delhi and Hanoi, like in 2011 the 5th Political Consultations, 2nd Strategic Dialogue, 14th Session of India-Vietnam Joint Commission and the 6th Defence Policy Dialogue were held. Such positive steps will go a long way in strengthening India’s relation with Vietnam.

Strategic Cooperation

The Defence relations between the two countries have a wide historical context. The two countries were friends with the Former Soviet Union and hence have a history together. Post-Cold war, in 1994 during P.V.N. Rao’s government, Hanoi and New Delhi signed a defence agreement. The agreement signed was mainly to encourage cooperation between the two militaries. Former Soviet Union was the main supplier of weapons to both the countries and post-cold war it became important for them to continue the maintenance of the weapons and the agreement stressed on this very point. The agreement was however limited to only training and servicing military hardware including the MIG 21 aircrafts which by now both countries possessed. With the 1994 agreement signed one could deduce that the Look East Policy initiated by India had entered phase II with India focusing beyond economic ties with the East Asian countries.

Post 2000, Vietnam and India entered a new agreement, under the NDA coalition government in 2000 the then Defence Minister George Fernandes became the first to visit Vietnam. It is in March 2000 that the countries signed the 15-point agreement, a Comprehensive Agreement for Defence Cooperation. After this agreement Indian defence ministers hailed Vietnam as India’s “most trusted friend and ally” (As quoted in: Rising India-Vietnam Ties in the Emerging Security Architecture of the Asia-Pacific Region by Tridip Chakraborti), India was also very appreciative of the fact that Vietnam stood by it during its nuclear tests and also understood the threat India faced from its neighbour. The agreement signed were to deal with issues like Joint Naval training, Jungle warfare training, counter-insurgency training, Air force Pilot training in India, repair programmes for Vietnam Air force fighter planes (MIG’s), assistance to Vietnam in establishing defence production facilities and in addition the navy, Indian Coast Guards and Vietnamese Sea police together agreed to combat sea piracy. This step was followed by

On 6th July, 2007 both countries signed a Joint Declaration on Strategic Partnership that further catalysed bilateral security and defence cooperation. According to the partnership agreement signed, both countries agreed to form a strategic dialogue at the ministerial level. The agreement stressed on the importance of existing institutional framework operational for defence cooperation and the need to follow it with dedication. Following the agreement A.K. Antony visited Hanoi in December 2007 and after meeting his counterpart General Phung Quang Thanh he agreed to transfer 5000 spare parts belonging to the Petya class of ship to be infused in the Vietnamese vessels. India also agreed to dispatch a four-member army team to train them for UN peacekeeping operations. Finally, a joint Working Group was formed to facilitate the signing of the memorandum. The agreement signed was looked upon with suspicion by China; however India and Vietnam stood firm on their intentions explaining the MOU was signed only to strengthen their military ties and not to intimidate China. Again in 2009 Indian Army Chief, General V.K. Singh visited Vietnam to implement the 2009 MOU signed on defence cooperation. General V.K. Singh’s visit is important as this was the first time Indian General visited Vietnam post-cold war period. In October, 2010, the first ASEAN Defence Ministers Meeting + 8 was held in Vietnam. India in the meeting was represented by Defence Minister A.K. Antony and during his visit he assured Indian support to the Vietnamese defence services and also to help in capacity building to help build, repair and maintain Vietnamese maritime security. Following this in September 2012, the 7th India-Vietnam Strategic Defence Dialogue was held; this demonstrated close relation that the two countries further cultivated over the years.

There has also been naval cooperation between the two countries and in 2011 India and Vietnam signed a Memorandum of Understanding on naval cooperation. Over the years, many Indian Naval Ships have paid friendly visits to Vietnam for instance INS Rajput visited Ho Chi Minh City from 28th September to 1st October 2000, in 2001 INS Mumbai and INS Jyoti paid a 3 days visit to Ho Chi Minh city, in November 2004 INS Sukanya, INS Ranvijay and INS Kirch visited Ho Chi Minh city, in June 2005 INS Magar visited Vietnam, from 8th to 11th June 2006 INS Rajput, INS Kulish and INS Kirpan visited port Da Nang City, in May 2007 INS Mysore and INS Rajit docked at a port in the Ho Chi Minh city, on 21st April 2008 INS Kora and INS Kripan visited Vietnam, and from 6th to 10th June 2013 INS Shakti and INS Satpura with 1200 officers and sailors visited Da Nang. In 2001 Indian Coastguard vessel, Sangram visited Vietnam and became the first ever stopover in Vietnam by the Indian Coastguard Ship, again from 12th to 14th May 2007 ICGS Sagar docked at Ho Chi Minh city.

In June 2011 Vietnam’s Naval Chief visited India and toured defence public shipbuilding sector like Mazagon Dock Ltd. in Mumbai and the Hindustan Shipyard Ltd. in Vishakhapatnam. Along with this the Indian navy has presented the Vietnamese Navy with several equipments and spare parts. Also, both the countries have conducted naval training exercises and Vietnam is also a part of the Milan training exercise conducted by India. India has experience in providing training to the Vietnamese pilots in operating MIG-21, Sukhoi-27 and Sukhoi-30 fighter jets. On the other hand, the Vietnam admits one Indian officer to Vietnam’s Academy of Defence since 2008. Other than this, Vietnam has shown interest in buying BrahMos missile from India. This agreement was being deliberated in full swing under the NDA Government but with the UPA coming to power the talks was stalled much too Vietnamese displeasure. Congress Government felt the need to stress on economic ties rather than military and also it did not want to antagonise China. Russia even today remains Vietnam’s main source of weapon procurement.
Vietnam has acquired Kilo class submarines, Sukhoi-30 MKK fighter jets and 2 Mohnya 1241.8 type missile boat. Despite this Vietnam and Hindustan Aeronautics limited has secured an agreement whereby 8 to 10 MIG-21 engines will be overhauled and serviced by the HAL with continued technical support.

The defence relation between India and Vietnam post 2007 has undergone a marked change that is post the signing of the strategic partnership. However, the defence ties have not been optimised to the full possible extent. Both the countries have a host of common area where they can be of help to one another. India and Vietnam both primarily operate Russian weapons and that is why both can undertake mutual training exercises in operating the weapons. Vietnam can provide training to the Indian soldiers in guerrilla warfare which will be helpful to India in addressing its internal security threats. The Indian entrepreneurs are collaborating Vietnamese navy in building base for the amphibious vessels, however Vietnam can show confidence in the ties by allowing India to use the civil area of the Cam Ranh Bay as a ship maintenance and a repair centre. Cooperation in Nuclear energy projects is also a prospective area. Both countries signed a MOU in January 2001 during A.B. Vajpayee’s visit to Hanoi, but not much progress has happened since then. Indian scientists are helping the Vietnamese to complete the nuclear project in Dalat but it is still incomplete. The defence ties have been progressing at a slow pace yet the future still seems bright as it has been obvious from the recent visit of Vietnamese Prime Minister.

**Major Challenges Confronting Indian-Vietnam Relations**

Over the years the strategic relations between India-Vietnam has witnessed many phases. Both countries had rather cold ties during the earlier half of cold war and then friendly relations during the latter half. Though the relations have evolved over the years, both countries yet face certain hurdles. One such problem is the growing power of China. Both India and Vietnam have border dispute which China and often the partnership between the two countries is misread by China. As it can be seen in the case of South China Sea, where Vietnam has allocated India’s ONGC Videsh Ltd block 06.1 for extracting natural gas and block 127 and 128 for exploration purposes. The deal was signed on 24th May 2006 between OVL and Petro Vietnam for the exploration of offshore oil beds of Vietnam in the Phu Khanh Basin. This agreement was disliked by China because of its claims in the region and sees the move as interference in their internal matters. Vietnam however does not want to anger China as China is the largest trading partner and hence it has to balance between the two giants also without disregarding the 1982 UNCLOS (United Nations Convention on Laws of the Sea).

Another area of concern between the two countries is the reluctance or the lack of interest shown by India to invest in Vietnam; it has often provided technical support, provided military training, set up English language learning centres and provided technical support in the field of developing nuclear energy for peaceful purpose under the MOU signed in 2001 to Vietnam. However monetarily India has not been a part of Vietnam’s growth. Also there is a lack of communication and information exchange between the entrepreneurs of both the countries.

A third aspect which concerns bilateral relations between India and Vietnam is recognising the role of promotion of regional security in the region. Combating Sea piracy in the region and ensuring safety of the sea lanes are issues which must be met with immediate prompt. Both countries have undertaken definitive steps on previous instances like in 2000 when India and Vietnam jointly hosted the ARF workshop on Anti-Piracy at New Delhi, during the workshop the members discussed areas where India and ASEAN could collaborate to ensure safety of straits of Malacca. In 2007 while the Strategic
Partnership agreement was signed methods to ensure security of the sea lanes, combating piracy, preventing pollution, and conducting search and rescue operations where all discussed. However the problem still continues and both countries under the larger framework of ASEAN need to undertake more stringent measures.

Conclusion

When in 2007 the Strategic Partnership was signed between India and Vietnam then the two sides had signed eight other important documents in the fields of power, fisheries and aquaculture, agriculture, culture, education and training. India and Vietnam signed another MOU for helping install high performance computer in Vietnam, under this understanding, in 2011 PARAM supercomputing facility was setup in Hanoi. On 11th October, 2011 when President Truong Tan Sang visited India then both the sides decided to set up the Advanced Resource Centre in Information and Communication Technologies (ARC-ICT). With such crucial steps being undertaken and with important high level visits between the two countries it seems that the future between India and Vietnam has much potential. Current Indian Prime Minister Narendra Modi has also been invited by Prime Minister Nguyen Tan Dung to visit Vietnam in 2015, what is to develop from his visit is yet to emerge.

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