

## **India – Vietnam Bilateral Relations**

### **Background**

The traditionally close and cordial relations have their historical roots in the common struggle for liberation from foreign rule and the national struggle for independence. Leaders like Mahatma Gandhi and President Ho Chi Minh led our peoples in the heroic struggle against colonialism. Pandit Jawaharlal Nehru was one of the first visitors to Vietnam after its victory against the French at Dien Bien Phu in 1954. President Ho Chi Minh visited India in February 1958. President Rajendra Prasad visited Vietnam in 1959. India maintained Consulate-level relations with the then North and South Vietnam and established full diplomatic relations at Ambassadorial level on 7 January 1972. Relations between the two countries were elevated to the level of ‘Strategic Partnership’ during the visit of Prime Minister Nguyen Tan Dung to India in July 2007. In 2016, during Prime Minister Modi’s visit to Vietnam, the two sides agreed to raise the Strategic Partnership to a “Comprehensive Strategic Partnership”, a status that Vietnam shares with two other countries – China and Russia. To commemorate these two milestones in the bilateral relationship - the 45<sup>th</sup> anniversary of the establishment of our diplomatic relations and 10 years of Strategic Partnership – the year 2017 was celebrated as the Year of Friendship.

Over the years, political contacts have strengthened as reflected in several high-level visits by leaders from both sides. Trade and economic linkages continue to grow. India's thrust under the 'Act East' policy combined with Vietnam's growing engagement within the region and with India has paid rich dividends. Vietnam is an important regional partner in South East Asia. 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.

### **Recent high-level visits**

Visits from India: In the first bilateral Prime Ministerial visit to Vietnam since 2001, Prime Minister Narendra Modi undertook an Official Visit to Vietnam from 2-3 September 2016 at the invitation of his Vietnamese counterpart Mr. Nguyen Xuan Phuc. Prime Minister Modi also called on Mr. Nguyen Phu Trong, General Secretary of the Communist Party of Vietnam, President Tran Dai Quang and Ms. Nguyen Thi Kim Ngan, Chairperson of the National Assembly. Twelve Agreements/MOUs were signed during the visit and it has provided a significant boost to the bilateral relationship. The most significant outcome of the visit was the elevation of the bilateral relationship to a Comprehensive Strategic Partnership. Prime Minister Modi also announced a Line of Credit of US\$500 million for Defence Industry cooperation.

Vice President Hamid Ansari visited Hanoi and Ho Chi Minh City in January 2013 for the closing ceremony of the Year of Friendship to commemorate 40 years of diplomatic relations. President Pranab Mukherjee undertook a State Visit to Vietnam in September 2014. He held discussions with his Vietnamese counterpart Mr. Truong Tan Sang, PM Nguyen Tan Dung, CPV General Secretary Nguyen Phu Trong and the National Assembly Chairman Mr. Nguyen Sinh Hung. During the visit, seven agreements/MOUs were signed. Both Presidents jointly planted a Bodhi sapling from the Mahabodhi tree at the Presidential Palace in Hanoi and inaugurated the Centre for Indian Studies at the Ho Chi Minh National Academy of Politics. The President also visited Ho Chi Minh City. EAM Smt. Sushma Swaraj visited Hanoi from 24-26 August 2014 to attend the 3rd ASEAN-India Network of Think Tanks Meeting. She also had bilateral meetings with DPM and FM Pham Binh Minh and called on President Sang and PM Dung. NSA Ajit Doval visited Vietnam from 3-4 April 2015. Raksha Mantri, Manohar Parrikar, accompanied by a 7-member delegation comprising senior officials, undertook an official visit to Vietnam from 5-7 June 2016. Apart from Hanoi, Raksha Mantri also visited Nha Trang and Ho Chi Minh City. MoS for External Affairs, Gen (Retd.) Dr. V.K. Singh visited Vietnam from 20-23 April 2017 for launching the 'Year of Friendship' activities. Apart from Hanoi where he inaugurated the Indian Cultural Centre, he also visited Ho Chi Minh City. Minister of State for Commerce and Industry, Smt. Nirmala Sitharaman visited Vietnam from 21-23 May 2017 to attend the 3rd RCEP Inter-sessional meeting hosted by Vietnam. In her capacity as Raksha Mantri, Smt. Sitharaman also had transit visits in Vietnam on her way to Philippines and back to attend the ADMM+ meetings. Later at the invitation of the Vietnam Minister of National Defence, General Ngo Xuan Lich, Raksha Mantri, Smt. Sitharaman visited Vietnam from 12-15 June 2018 along with a ten member senior officers delegation. During the visit, she laid the foundation stone for the Army Software Park in Nha Trang for which PM announced a US\$ 5 million grant during his visit in 2016. EAM Smt. Sushma Swaraj visited Hanoi from 26-28 August 2018 to inaugurate the 16<sup>th</sup> Joint Commission Meeting and to inaugurate the 3<sup>rd</sup> Indian Ocean Conference. She called on PM Phuc during her visit. During the visit 7 MoUs were signed between Embassy of India and People's Committee of Ninh Thuan Province for offering grants-in-aid to the Cham community to the tune of USD 1.5 million for building social infrastructure. Minister of Micro, Small and Medium Enterprises (MSME), Shri Giriraj Singh visited Vietnam from 4-6 September, 2018 along with a delegation to explore the opportunities for enhancing cooperation in MSME sector. MOS for External Affairs Shri M. J. Akbar visited Hanoi from 10-13 September, 2018 to attend the World Economic Forum on ASEAN; during his visit he met the Vice Foreign Minister Nguyen Quoc Dung. Under the Distinguished Visitors Programme, a delegation from Assam led by Chief Minister Sarbananda Sonowal and including many MLAs and a farmers delegation visited Vietnam in May 2018. Rashtrapati Ram Nath Kovind and First Lady undertook a 3 day State Visit to Vietnam, his first to South East Asia/ASEAN region, from 18-20 November, 2018 accompanied by Minister of State Shri Anantkumar Hegde and Members of Parliament Dr

Heena Gavit and Shri Kamakhya Prasad Tasa. During the visit, four agreements were signed including MOU between the Ministry of Information and Communications of Vietnam and Ministry of Communications of India; MOU between Ho Chi Minh National Academy of Politics and Jawaharlal Nehru University of India and a Cooperation Agreement between the Confederation of Indian Industries (CII) and Vietnam Chamber of Commerce and Industry (VCCI).

Visits from Vietnam: Prime Minister Nguyen Xuan Phuc visited India in January 2018 to attend the ASEAN-India Commemorative Summit and as a Chief Guest at the Republic Day Parade. He was accompanied by a high level delegation of four Ministers, six Vice Ministers and three Chairpersons of provincial People's Committees.

At the invitation of President Kovind, President Tran Dai Quang paid a State Visit to India from 2-4 March 2018. During the visit he met President Kovind and held delegation level talks with Prime Minister Modi. He met the Speaker of the Lok Sabha Ms. Sumitra Mahajan while External Affairs Minister Sushma Swaraj called on him.

A delegation from the Communist Party of Vietnam (CPV) led by Nguyen Ngoc Quang, Secretary of the Party Committee of Quang Nam province visited India from 16-20, October, 2018 under the Distinguished Visitors Program. The delegation called on the MOS Gen. V. K. Singh during the visit.

Prime Minister Nguyen Tan Dung visited India in December 2012 for the India-ASEAN Commemorative Summit and called on PM; Le Thanh Hai, Member of Politburo and Party Secretary of the HCMC visited India in March 2013 and called on the President. CPV General Secretary Nguyen Phu Trong undertook a State Visit to India from 19-22 November 2013. He also visited Mumbai and interacted with the Indian business community. A Joint Statement was issued and 8 bilateral MoUs/ Agreements were signed. PM Nguyen Tan Dung undertook a State Visit to India in October 2014. 7 agreements/MOUs were signed during the visit. Vietnamese Defence Minister General Phung Quang Thanh visited India in May 2015 during which a five-year Joint Vision statement for the period 2015-2020 on defence cooperation and an MoU on cooperation between the Coast Guards were signed. Minister of Defence of Vietnam Sr. Lt. Gen. Ngo Xuan Lich visited India from 3-6 December 2016 during which a Programme of Cooperation was signed between the two Air-forces. Minister of Information and Communication and Chairman of the Vietnam-India Friendship Association Dr. Truong Minh Tuan visited India from 26-29 March 2017. Deputy Prime Minister and Foreign Minister Pham Binh Minh undertook a bilateral visit to India from 3-5 July 2017 and also attended the IX Delhi Dialogue. During the visit, MEA and the Ministry of Foreign Affairs of Vietnam signed the Plan of Action 2017-20, with the aim of effectively realizing the Comprehensive Strategic Partnership. The Chief Justice of the Supreme People's Court of Vietnam Mr. Nguyen HoaBinh undertook a visit to India during 27-29 November 2017 and held talks with

Chief Justice of the Supreme Court of India Justice Dipak Misra and had a working session with Chief Justice of Delhi High Court Justice Gita Mittal.

**Parliamentary visits:** India and Vietnam share a healthy tradition of parliamentary exchanges. Hon'ble Speaker Smt. Sumitra Mahajan undertook a visit to Vietnam in March/April 2015 for the 132nd Assembly of the Inter-Parliamentary Union. From the Vietnamese side Vice President of the Vietnam National Assembly Ms. Nguyen Thi Kim Ngan visited India in February 2013. After her elevation as Chairperson of the National Assembly, Mme. Ngan also visited India in December 2016. Apart from her meetings with the Speaker of the Lok Sabha, she also met the Vice President, Prime Minister and President. Four MOUs/Agreements were signed during her visit. A six-member parliamentary delegation led by Mr. Nguyen Hoang Anh, Member of the National Assembly and Party Secretary of Cao Bang province visited India from 13-19 August to take part in the India-ASEAN Youth Summit in Bhopal. The Vietnam National Assembly established a Vietnam-India Parliamentary Friendship Group led by H.E. Mr. Ha Ngoc Chien, Member of the CPV Central Committee and Chairman of the NA Standing Committee on Ethnic Minority Council with ministerial rank, which includes many members of the Central Committee of the Communist Party of Vietnam, Party Secretaries of provinces, Rectors of Universities etc. The Indian Parliament also established an India-Vietnam Parliamentary Friendship Group led by Dr. K. Kesava Rao, MP, Rajya Sabha having 10 members from Lok Sabha and 5 members from Rajya Sabha.

### **Institutionalized mechanisms for bilateral exchanges**

The Joint Commission Meeting at the Foreign Ministers' level and the Foreign Office Consultations (FOCs) and Strategic Dialogue at Secretary-level provide the larger framework for bilateral cooperation in various areas. The 10th round of the Foreign Office Consultations and the 7th Strategic Dialogue were held in New Delhi on 9 April 2018. The Indian side was led by Secretary East, Smt. Preeti Saran and the Vietnamese side by Vice Foreign Minister Dang Dinh Quy. There is an annual Security Dialogue at Defence Secretary level which was held on 1 August 2018. The Joint Committee on Science and Technology meets periodically; the last meeting took place in December 2016, in India. The India-Vietnam Joint Working Group on Educational Exchange was set up in 2012. The India-Vietnam Joint Sub-Commission on Trade was set up in 2013 and meets regularly, the last being in March 2016, in New Delhi. The next meeting is scheduled to be held in Hanoi, in the last quarter of 2018. The first meeting of the Joint Maritime Liaison Committee was held in April 2016 on the side-lines of the 2016 Maritime India Summit in Mumbai. The 16th Joint Commission Meeting (JCM) co-chaired by EAM and the Vietnamese Deputy PM and Foreign Minister Pham Binh Minh was held in Hanoi on 28 August, 2018. Following the signing of the MoU on Cooperation in Information Technology and Cyber Security, a JWG was set up and the first meeting was held in August

2017 in Hanoi and the second meeting in India in August 2018.

### **Economic and Commercial Relations**

11. India's relations with Vietnam are marked by growing economic and commercial engagement. India is now among the top ten trading partners of Vietnam. Economic and Commercial cooperation has been identified as a strategic thrust area in the India Vietnam Comprehensive Strategic Partnership, which was announced during the visit of Prime Minister Modi to Vietnam in September, 2016. The importance of economic and commercial cooperation was reiterated during the visits of Prime Minister Nguyen Xuan Phuc to India in January 2018 and President Tran Dai Quang in March 2018. Both India and Vietnam are members of the ASEAN India Free Trade Agreement. Various mechanisms have been established to facilitate the trade between the two countries which include Joint Sub Commission on Trade and establishment of JWGs in various sectors. Garments and textile, pharmaceuticals, agro-commodities, leather & footwear, engineering and renewable energy have been identified as priority areas for cooperation.

12. Bilateral trade between India and Vietnam has seen continuous growth over the past many years. Bilateral trade, according to Indian data, during 2017-2018 reached US\$12.8 billion, registering an increase of 27 percent. Vietnam is the eighth largest export destination for Indian products in the world and the second largest in the ASEAN region. Vietnam is the 4th largest trading partner of India among ASEAN countries after Indonesia, Singapore and Malaysia. Leaders of both countries have set a trade target of US\$15 billion by 2020. Major export commodities from India are machinery and equipment, seafood, iron and steel, pharmaceuticals, cottons of all kinds, tea, coffee, and spice.

13. Main items of imports from Vietnam are electrical machinery and equipment, copper and article thereof, machinery and equipment, Chemicals of all kinds and article of iron and steel.

14. India's investments in Vietnam are around US\$ 1.66 billion but are expected to rise in the coming years. According to the Foreign Investment Agency, during the first nine months of 2018, India registered 32 fresh projects with total capital of US\$110.36 million. As such, India has 201 valid projects with total invested capital of US\$875.69 million, US\$876.73 million, ranking 26th among 129 countries and territories investing in Vietnam. The latest project is that of M/s Shapoorji Pallonji Group with total registered capital of US\$75 million. The figures from Vietnam do not include Indian investment from third countries. Major sectors of investment are oil and gas exploration, mineral exploration, agro-processing, sugar manufacturing, instant coffee production, agro-chemicals, auto components, IT, and agricultural processing.

### **Defence Cooperation**

Defence Cooperation has emerged as a significant pillar of our strategic partnership with

Vietnam. After the signing of the MoU on Defence Cooperation by the two Defence Ministers in November 2009, relations have grown from strength to strength. We are currently offering 60-70 ITEC slots every year to Vietnamese defence personnel. Indian ships regularly make friendly port calls to Vietnam. For the first time, a Vietnamese Ship participated in the International Fleet Review at Vishakhapatnam, India, in February 2016. A maritime Defence Industry Meeting was held in September 2017, at Hai Phong on the side-lines of the ship visits of INS Satpura and INS Kadmatt. Three Indian naval ships Sahyadri, Kamorta and Shakti undertook goodwill visits to Danang in May 2018. In Sep 2018, Indian Navy Ship INS Rana made a port call to Ho Chi Minh City port. For the first time a Vietnam Coast Guard ship sailed outside Vietnam's immediate neighbourhood to India. VCG Ship CSB 8001 visited India (Chennai) from 01-06 Oct 2018. A joint exercise on Search and Rescue was conducted between Indian Coast Guard and Vietnam Coast Guard. High level exchanges between the two armed forces in 2018 include visit by Commander-in Chief of Vietnam People's Air Force to India in October, Chief of the Army Staff of the Indian Army to Vietnam in November and Commander-in-Chief of Vietnam People's Navy in December.

### **Science and Technology**

A bilateral Agreement on cooperation in Science & Technology (S&T) between India and Vietnam which was first concluded in 1976 was renewed in February 1996 with provision for joint research and exchange of scientists in various areas. The 10<sup>th</sup> meeting of the Joint Committee was held in New Delhi on 21<sup>st</sup> Dec. 2016 during which the two sides identified new areas of cooperation. A MOU between TRAI and the Vietnam Telecommunications Authority (VNTA) and MOU on cooperation in the field of spectrum management between the Wireless Planning and Coordination Wing, MeitY and the Authority of Radio Frequency Management, Ministry of Information and Communications of Vietnam was signed in New Delhi, in July 2013.

### **Assistance and Capacity Building**

Lines of Credit: Since 1976, India has extended 19 Lines of Credit totalling about US\$ 364.5 million to Vietnam. The 16th LoC for US\$ 45 million for Nam Chien hydropower project, executed by BHEL, has been completed. The 17th LOC of US\$19.5 million for 2 projects (Nam Trai-IV Hydropower project and Binh Bo pumping station) was signed on 11 July 2013 during the 15th JCM meeting. While the Binh Bo project being executed by Kirloskar is nearing completion, the Nam Trai-IV project has had no takers. Government of Vietnam is yet to propose a new project. The 18th LOC worth USD 100 million for defence procurement was signed on 15 September 2014 during the visit of President Pranab Mukherjee to Vietnam. The contract between M/s. Larsen & Toubro Ltd. And Vietnam Border Guards for procurement of 12 offshore patrol vessels signed in September 2016 as part of the US \$ 100 million Line of Credit extended by India is under implementation. During his visit to Vietnam on 2-3 September 2016, Prime Minister Modi announced a new LoC (19th) worth USD 500 million

for facilitating deeper defence cooperation and a grant of US\$ 5 million for constructing an Army Software Park at the Telecommunications University in Nha Trang. The Vietnamese Ministry of Defence is finalizing its requirements for utilizing this credit line and construction of the building for the Army Software Park is underway.

Scholarships: Vietnam has been a large recipient of training programmes under Indian Technical and Economic Cooperation (ITEC) programme. Presently, 130 ITEC slots are being offered to Vietnam every year along with 24 scholarships under the General Cultural Scholarship Scheme (GCSS); 4 scholarships announced during PM Modi's visit to Vietnam in September 2016 for Buddhist and Sanskrit studies, 14 scholarships under the Educational Exchange Programme (EEP) and 10 scholarships under the MGC Scholarship Scheme.

### **Quick Impact Projects**

India has also been providing assistance to Vietnam within the ASEAN framework. Under the Mekong Ganga Cooperation, India announced a Revolving Fund with an annual contribution of USD 1 million (USD 250,000 per country). Under this 5 Quick Impact Projects were implemented in the financial year 2016-17, in 5 provinces of Vietnam. A new set of five MoUs are currently being executed namely; (i) Construction of Cau Chua Moi bridge in HoDacKien Commune, Chau Thanh District, Soc Trang Province, Vietnam. (ii) Construction of Lac Son Primary School, Ca Na Commune, Thuan Nam District of NinhThuan Province (iii) One floor day boarding school canteen with 2 rooms – Bo Ly kindergarten – Tam Dao District-VinhPhuc Province (iv) Block of Classrooms – Van Lung Kindergarten – PhuTho town – PhuTho Province (v) Construction of Kindergarten at Hai Long Commune – Hai Hau District – Nam Dinh Province.

Restoration of Cham Monuments at My Son: Archaeological Survey of India started the project of conservation and restoration of the UNESCO World Heritage Site at My Son in central Vietnam, in end-February 2017. The first working season continued till May 2017 during which the team was able to excavate and preserve many artefacts. The second working season for ASI team ended in June 2018.

### **Initiative for ASEAN Integration**

VIEDC/VICELT: Under the Initiative for ASEAN Integration programme (IAI), India set up the Vietnam-India Entrepreneurship Development Centre (VIEDC) in Hanoi. The Centre provides technical assistance to the GoV in entrepreneurship development. Similarly GoI has set up a Vietnam-India English Language Training Centre (VICELT) at Danang. The GoI sponsors English teachers to teach at the Centre. MEA has also been providing annual financial support to the Centre. The Vietnam-India Centre for English Language & IT Training was also set up at the Telecommunications University, Nha Trang and is running successfully.

CESDT: A MoU for the establishment of the Centre of Excellence for Software Development and Training (CESDT) was signed in Sept 2016 during Prime Minister Modi's visit to Vietnam. The project is being implemented under the Initiative for ASEAN Integration Programme. CDAC has been identified as the Agency for executing this project. A team of 2 C-DAC experts visited HCMC on 4-5 July 2017. The experts visited the building where the Centre is to be set up and approved it. Equipment is to be provided by C-DAC through GoI funding. CDAC will be providing training to Vietnamese IT teachers in India under this project.

ARC-ICT: A US\$2 million Advanced Resource Centre in Information and Communications Technology (ARC-ICT) was established in Hanoi in 2012 with funding from GoI. The Centre has been set up by CDAC, which also trained students and Government officials in various areas such as web designing, network systems, java, GIS applications and e-governance. A request by the Vietnamese side for implementing the second phase of the project worth US\$430,000 has been approved in principle by MEA and CDAC is preparing a DPR. India gifted a High Performance Computer which has been installed at the Hanoi University of Science and Technology (HUST). The Centre was formally inaugurated on 12th Nov. 2013. This is running successfully.

Under the India-ASEAN Initiative, India offered to set up a Satellite Tracking and Telemetry Centre (TTC) and Image Processing Facility in Ho Chi Minh City. A framework agreement on space cooperation was signed during PM Modi's visit in September 2016 and the Implementing Arrangement between ISRO and the National Remote Sensing Department of Vietnam for setting up the TCC was signed in Delhi in January 2018 during the visit of Prime Minister Phuc for the ASEAN-India Commemorative Summit.

Assistance through IBSA: IBSA funded Rice Seed Improvement Project in Danang is ongoing with a grant from IBSA fund of US\$ 529,000. An e-learning project for medical training at the Haiphong Medical University has been completed. A second IBSA funded e-learning project for tele-medicine at the Haiphong Medical University was formally launched in January 2015 and is currently under implementation and is expected to be completed in early 2019.

### **Cultural Relations and People to People Exchanges**

The Institute for Indian and South-West Asian Studies under the aegis of the Vietnam Academy of Social Sciences was inaugurated in Hanoi on 7 January 2012 on the occasion of the 40th anniversary of establishment of full diplomatic relations. During President Pranab Mukherjee's State Visit to Vietnam in September 2014, both Presidents inaugurated the Centre for Indian Studies at the Ho Chi Minh National Academy of Politics which is the apex institute for training cadres of the Communist Party of Vietnam. The Department of South East Asian Studies, University of Social Sciences and Humanities of Vietnam, has a section on Indian



Studies.

The Swami Vivekananda Indian Cultural Centre was established in Hanoi in September 2016 and was formally inaugurated on 20th April 2017 by MoS for External Affairs, Dr. V.K. Singh and the Deputy Minister of Culture, Sports and Tourism of Vietnam. As per the terms of the Action Plan for 2017-20 to operationalise the Comprehensive Strategic Partnership between the two countries, India will encourage Indian educational institutes to organize courses of Vietnamese language and promote Vietnamese culture. Accordingly, suitable Indian institutions are being identified.

**Youth Exchange Programme:** Under the Annual Youth Exchange Programme an Indian youth delegation comprising 7 members visited Vietnam from 20-28 July 2016. A MoU on cooperation in Youth Affairs was signed between the Ministry of Youth Affairs and Sports and the Ho Chi Minh Communist Youth Union of Vietnam in September 2014. Under this, regular exchange of visits have been taking place. This year the Indian delegation visited Vietnam from 26 July to 2 August and the Vietnamese delegation visited India from 8-15 September.

**International Day of Yoga:** Yoga is immensely popular in Vietnam and the four International Days of Yoga celebrated in Vietnam in 2015-2018 saw huge participation of Vietnamese across the country. In 2018, the event was held in Hanoi witnessed the participation of around 1,500 Vietnamese and with the participation of thousands in other cities and provinces of the country. Yoga has emerged as a strong cultural bond between the two countries. There has also been a great interest in the yoga classes held at the Indian Cultural Centre in Hanoi.

### **Indian Community**

Estimated population of Indians living in Vietnam is 2900, mostly in HCMC. The Indian Business Chamber (INCHAM) is an organisation of Indians living in Vietnam, primarily to promote trade and business interactions. The Indian community is vibrant, law-abiding, well-educated and prosperous. A vast majority of them are professionals working in Indian and multinational companies. They retain strong family, cultural and business ties with India. With the ongoing increase in bilateral trade, investment and tourism, the Indian community in Vietnam is set to grow and prosper further in the years ahead.

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