India-Vietnam Relations

BACKGROUND

- India-Vietnam relations have been exceptionally friendly and cordial since their foundations were laid by Prime Minister Nehru and President Ho Chi Minh more than 50 years ago. 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.

- 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 went to India in February 1958. President Rajendra Prasad visited Vietnam in 1959.

- In recent times, 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 'Look 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.

- The two countries will celebrate the 40th anniversary of establishment of full diplomatic relations in 2012. The ‘Year of India in Vietnam’ will be celebrated in 2012 with several commemorative events, cultural activities and business promotion events.

EXCHANGE OF HIGH-LEVEL VISITS

- There have been several high-level visits from both sides in recent years. From the Vietnamese side, these include Nong Duc Manh, Secretary General of the Communist Party of Vietnam in 2005, Nguyen Tan Dung, Prime Minister in 2007, Nguyen Thi Doan, Vice-President in 2009 and Nguyen Phu Trong, Chairman, National Assembly of Vietnam in 2010 and Truong Tan Sang, President in October 2011. From the Indian side, Prime Minister Shri Atal Behari Vajpayee paid an official visit to Vietnam in 2001, Speaker, Shri Somnath Chatterjee in March 2007, President Smt. Pratibha Patil in November 2008, PM Dr. Manmohan Singh in October 2010 to attend the 8th ASEAN-India Summit and the 5th East Asia Summit, Speaker Smt. Meira Kumar in May 2011.


- From the Vietnamese side, these include Foreign Ministers in 2005 and in February 2007; Defence Ministers in 2005 and Nov 2009; Minister for Communications and Information Technology in July 2009; Minister for Industry and Trade in December 2009; Fisheries Minister in 2005; and President of Vietnam Fatherland Front in 2005. In recent months, delegations led by Mr. Hoang Binh Quan, Chairman, External Relations Commission, Communist Party of Vietnam (April 2011), Mr. Huynh Ngoc Son, Vice-Chairman, National Assembly (May 2011) and Mr. Ho Xuan Son, Deputy Minister and Chairman, National Border Affairs Committee (June 2011).
• Regular meetings between the leaderships of the two sides have taken place at the sidelines of multilateral summit meetings.

**INSTITUTIONALISED MECHANISMS FOR BILATERAL EXCHANGES**

• The Joint Commission Meeting at the Foreign Ministers' level and the Foreign Office Consultations and Strategic Dialogue at Secretary-level provide the larger framework for bilateral cooperation in various areas. The 5th FoCs and 3rd Strategic Dialogue were held in Aug 2011 in Hanoi. The 14th JCM was held in Hanoi in Sep 2011.

• Specifically, MoUs and agreements for Cultural Exchange, Cooperation in Science & Technology, in Agriculture and Fisheries, in Nuclear Energy and Educational Exchange among others are in place. The two sides have also signed the BIPP, DTAA and Consular Agreement.

• During the visit of President Sang, six agreements and MoUs were signed. These include: Extradition Treaty, MoU on India-Viet Nam Friendship Year 2012, Agreement on Cooperation between Petrovietnam and ONGC Videsh Limited, Work Plan for the years 2011-2013 in the fields of agricultural and fishery research and education, Cultural Exchange Program for the years 2011-2014 and the Protocol on cultural activities in the ‘Vietnam India Friendship Year, 2012’.

**ECONOMIC AND COMMERCIAL RELATIONS**

• India’s relations with Vietnam are marked by growing economic and commercial engagement, especially in recent years.

• India figures among the ten largest exporters to Vietnam. Two-way trade reached USD 3.9 bn in 2011 (Indian exports: USD 2.34 bn; Vietnam’s exports: 1.56 bn). The two sides have set a target of USD 7 bn for bilateral trade by 2015. With the signing of the India-ASEAN FTA on Trade in Goods, bilateral trade with Vietnam is poised to grow faster. Vietnam ratified the India-ASEAN FTA in Goods w.e.f 1 June 2010.

• Vietnam continues to be an attractive investment destination for Indian companies. Several Indian companies in sectors as diverse as oil and gas, steel, minerals, tea, coffee, sugar and food processing have invested in Vietnam.

• OVL, Essar Exploration and Production Ltd, Nagarjuna Ltd, Venkateswara Hatcheries, Philips Carbon and McLeod Russell are some of the major Indian investors. Tata Steel plans to invest more than USD 5 bn in a steel plant in Vietnam. In the field of IT training, NIIT, APTECH and Tata Infotech have so far opened more than 50 franchised centers spread all across Vietnam.

**ASSISTANCE AND CAPACITY BUILDING**

• Since 1976, India has extended several Lines of Credit totaling Rs. 361 crores to Vietnam. A line of credit agreement for US$ 45 million was extended for Nam Chien Hydropower project which is under execution by BHEL. India has offered a fresh Line of Credit for USD 19.5 million to Vietnam for setting up hydropower projects.

• India has set up the Vietnam-India Entrepreneurship Development Centre and Vietnam-India Center for English Language Training as part of its support to the Initiative for ASEAN Integration providing technical assistance to the Government of Vietnam.

• In the ICT sector, India has set up the Vietnam-India Advanced Resource Centre in ICT in Hanoi at a cost of approx Rs 10 crores. The Centre was inaugurated by EAM during this visit to Hanoi in Sep 2011 for the 14th JCM. The Centre provides a wide range of training in ICT, application of e-learning technology in education, infrastructure for digital library, for web-portal creation and service
and for GIS Application development. India is also providing a PARAM Supercomputer to Vietnam at a cost of Rs 4.60 crores.

- Vietnam has, over the years, been a key recipient of training programmes under Indian Technical and Economic Cooperation (ITEC) programme and other scholarship schemes. In 2011, India offered 75 slots under ITEC and 6 slots for post-graduate courses under General Cultural Scholarship Scheme (GCSS). Vietnam has also been utilising 20 scholarships under CEP and since 2006, 10 slots for undergraduate courses funded by Mekong Ganga Cooperation (MGC) programme.

ASSISTANCE TO VIETNAM WITHIN THE ASEAN FRAMEWORK

- It has been decided to open a new Vietnam-India Centre for English Language Training at the Diplomatic Academy of Vietnam.

- A proposal to set up a Centre for Tracking and Data Reception and an Imaging facility in Vietnam under ASEAN-India Cooperation mechanism is under consideration. The Centre will be fully funded by India and ISRO will be the implementing agency. It will utilise data provided by Indian remote sensing satellites and harness it for multiple developmental applications.

- Visa-on-arrival facility has been extended to nationals of Vietnam w.e.f. 1 Jan 2011.

CULTURE

- India has decided to open a cultural centre in Hanoi. The Centre will beef up India’s cultural presence in Vietnam and constitute an important dimension of the friendly partnership between the two countries. It will offer a wide and interesting range of cultural services and performances to its patrons.

- India will undertake a project for restoration of the Cham monuments in My Son. The project will be executed by ASI with a grant of USD 3 million by India.

EDUCATION

- Department of South East Asian Studies, University of Social Sciences and Humanities of Vietnam National University, Hanoi has a section on Indian Studies. Many students also pursue undergraduate courses at Vietnam National University in Ho Chi Minh City.

- The Vietnam Academy of Social Sciences has recently opened the Institute of Indian and South-West Asian Studies.

CONNECTIVITY

- At present, there are no direct flights between India and Vietnam. Vietnam Airlines and Jet Airways signed a MoU in October 2011 on comprehensive cooperation which includes commencing direct flights in the near future.

DIASPORA

- Estimated population of Indians living in Vietnam is 2000, mostly in Ho Chi Minh City. The Indian Business Chamber (INCHAM) is an organisation of Indians living in Vietnam, primarily to promote trade and business interactions.

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