

Bilateral Relations - Vietnam

Overview: 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 Feb. 1958. President Rajendra Prasad visited Vietnam in 1959. Full diplomatic relations were established 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, and further elevated to 'Comprehensive Strategic Partnership' during the visit of Prime Minister Narendra Modi to Vietnam in Sept. 2016.

Exchange of high-level visits: In recent times, political contacts have strengthened as reflected in several high-level visits by leaders from both sides. The more recent visits include the following: i) Prime Minister Narendra Modi's Official Visit to Vietnam on 02 - 03 September 2016. Bilateral talks between the two Prime Ministers was followed by the signing of several bilateral documents. During his visit, PM also met Mr. Nguyen Phu Trong, General Secretary of Vietnam Communist Party, Mr. Tran Dai Quang, President of Vietnam, and Mrs. Nguyen Thi Kim Ngan, Chairperson of the National Assembly of Vietnam. Based on the current excellent relations and with the desire to contribute to regional peace, stability, cooperation and prosperity, Vietnam and India agreed to elevate the Strategic Partnership to Comprehensive Strategic Partnership; ii) Vice President, Mr. Md. Hamid Ansari from 14-17 January 2013 for the closing ceremony of the India-Vietnam Friendship Year 2012; iii) General Secretary of the Communist Party of Vietnam Mr. Nguyen Phu Trong in November 2013. 8 bilateral MoUs/ agreements were signed during the visit; iv) The President of India's State Visit to Vietnam from 14-17 September 2014. Seven agreements/MOUs were signed in the fields of Customs, Defense LOC, Animal Health, Pangasius Breeding, Youth Affairs and starting of direct flights between India and Vietnam; v) Vietnamese Prime Minister Nguyen Tan Dung State Visit to India on 27-28 October 2014. Seven agreements on education, culture, energy were signed during the visit. Bank of India was also granted an in-principle approval to open branch offices in Vietnam.

EAM Smt. Sushma Swaraj visited Vietnam from 24-26 August 2014 to attend the Regional HOMs Conference, the 3rd ASEAN-India Network of Think Tanks Meeting and also had bilateral meetings with Vietnamese side. Lok Sabha Speaker Smt Sumitra Mahajan led the Indian Parliamentary delegation to participate in 132nd Assembly of the Inter-Parliamentary Union in Hanoi in March/April 2015. National Security Advisor Mr. Ajit Doval visited Vietnam in April 2015. Defense Minister Mr. Manohar Parrikar, accompanied by a 7-member delegation comprising senior officials, paid an official visit to Vietnam from 5-7 June, 2016. The main focus of the visit was promotion of the Defence industry. A Defence Industry Business Meeting

was organized on the sidelines of the visit. From the Vietnamese side, these include: Foreign Minister Pham Binh Minh in July 2013 for the 15th meeting of the Joint Commission, Minister of Public Security Gen. Tran Dai Quang in November 2013 and Minister of Health Dr. Nguyen Thi Kim Tien in December 2013. Prof. Nguyen Xuan Thang, President of the Vietnam Academy of Social Sciences (VASS) visited India in August 2014 under the ASEAN-India Eminent Person Lecture Series. Prof. Ta Ngoc Tan, President of the Ho Chi Minh National Academy of Politics and Public Administration visited India in October 2014. An MoU with the Indian Institute of Public Administration (IIPA), New Delhi was signed during this visit. Vietnamese Politburo Member and President of the Vietnam Fatherland Front Nguyen Thien Nhan visited India in March 2015. Defence Minister General Phung Quang Thanh visited India from 23-26 May 2015.

Institutionalized mechanisms for bilateral exchanges: 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 8th round of FOCs and the 5th Strategic Dialogue were held in New Delhi on 2nd August 2016. There is an annual Security Dialogue at Defence Secretary Level and a Joint Committee on Science and Technology that meets periodically. 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 meeting being in March 2016, in New Delhi. The first meeting of the Joint Maritime Liaison Committee was held on 15th April 2016, on the sidelines of the 2016 Maritime India Summit, in Mumbai.

Defence and Security Cooperation: Defence and Security 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, the relations have grown from strength to strength. We are currently offering 50 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 Feb. 2016.

Gol offered US\$ 100 million LOC for defence procurement is being used for procuring high speed patrol vessels from Larsen & Toubro of India. During his visit to Vietnam on 2-3 September 2016, Prime Minister Modi announced a new LoC of US\$ 500 million for facilitating deeper defence cooperation. An MoU on UN Peacekeeping and Training was also signed during the visit. A framework MoU on security cooperation between India and Vietnam was signed in 2007. An MoU on Cyber Security was also signed during Prime Minister Modi's visit in September 2016. A Vietnam-India Centre for English Language and IT Training has been established at Telecommunication University Nha Trang, following the signing of an MoU in October 2014 during PM Dung's visit to India. PM Modi announced a grant of US\$ 5 million for the construction of an Army Software Park at the Telecommunication University

as phase II of the project.

Economic and Commercial Relations: India's relations with Vietnam are marked by growing economic and commercial engagement. During the visit of Vietnamese PM to India in October 2014, the two sides decided to make economic cooperation a strategic priority in the India-Vietnam Strategic Partnership, and identified hydrocarbons, power generation, infrastructure, tourism, textiles, footwear, medical and pharmaceuticals, ICT, electronics, agriculture, agro-products, chemicals, machine tools and other supporting industries as priority areas for cooperation.

Bilateral trade between India and Vietnam has seen continuous growth over the past many years. India is now among the top ten trading partners of Vietnam. According to GOI data, trade volume has crossed USD 9 billion in FY 2014-15, achieving the target of US\$ 7 billion by 2015 well in advance. Both sides have agreed on a new trade target of US\$ 15 bn by 2020. Major export commodities from India are machinery and equipment, seafood, pharmaceuticals, cottons of all kinds, automobiles, textiles and leather accessories, cattle feed ingredient, chemicals, plastic resins, products of chemicals, fibres of all kinds, steel of all kinds, fabrics of all kinds, ordinary metals and Jewellery & precious stones. Main items of imports from Vietnam are mobile phones & accessories, computers and electronics hardware, machinery and equipments, chemicals, rubber, ordinary metals, wood and wooden products, fibres of all kind, pepper, means of transport, products of steel, coffee, footwear, products of chemicals and polymers and resins.

Indian investments in Vietnam have remained constant at around US\$ 1 billion but are expected to rise in the coming years. During 2015, Indian companies registered 23 new projects with a total capital of US\$138.99 million in the areas of food processing, fertilizers, auto components, textile accessories etc. With these projects, India now has 132 projects with total investments of about US\$1.07 billion. This includes Indian investment from third countries also. Major sectors of investment are energy, mineral exploration, agro-processing, sugar manufacturing, agro-chemicals, IT and auto components.

Following up on the exhortation for enhanced economic engagement consequent to the successful Official Visit of Hon'ble Prime Minister to Vietnam, a high-powered CEO delegation of led by President, Confederation of Indian Industry (CII) Dr.Naushad Forbes and including Director General, CII Mr.Chandrajit Banerjee visited Vietnam during 1-3 November 2016. The delegation had strong representation in the engineering, infrastructure, machinery and equipment, renewable energy, information technology, cyber security, agriculture and animal feed sectors.

Science and Technology: A bilateral agreement on cooperation in Science & Technology 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 10th meeting of the Joint Committee is due to be held in India. 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, M/IT and the Authority of Radio Frequency Management, VN Ministry of Communication was signed in New Delhi in July 2013. An MoU on cooperation in Information Technology was signed during PM's visit to Vietnam in September 2016.

Development Cooperation-LoCs, Grant Assistance and Capacity Building

Lines of Credit: Since 1976, India has extended 18 LoCs totaling about US\$ 264.5 million. The 18th US\$ 100 million LoC for defence procurement is being used for procuring high speed patrol vessels from Larsen & Toubro of India. During his visit to Vietnam in September 2016, Prime Minister Modi announced a new LoC of US\$ 500 million for facilitating deeper defence cooperation, and a grant of US\$ 5 million for constructing an Army Software Park at the Telecommunications University.

India has also set up a US\$ 2 million Advanced Resource Centre in Information and Communications Technology (**ARC-ICT**) was in Hanoi in September 2011. The Centre, set up by the CDAC, trains students and Government officials in various areas such as web designing, network systems, java, GIS applications and e-governance. India gifted a High Performance Computer which has been installed at the Hanoi University of Science and Technology (HUST). Inaugurated in November 2013, the system is running successfully. India is also funding the establishment of a Hi-Tech Crime Laboratory in Ha Noi. The MoU on this project was signed in November 2013. 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 US\$ 1 million (US\$ 250,000 per country). Under this, five Quick Impact Projects (QUIPs) have been sanctioned for implementation during this financial year, in five provinces of Vietnam.

Under the initiative for ASEAN integration programme (IAI), India set up Vietnam-India Entrepreneurship Development Centre (VIEDC) in Hanoi. The Centre provides technical assistance to the GoV in entrepreneurship development. Similarly, Gol has set up Vietnam-India Center for English Language Training (VICELT) at Danang. On VICELT's request two English teachers from India worked at the centre for six months beginning June 2016. Another similar Vietnam-India Centre for English Language & IT Training set up at the Technical University in Nha Trang is also running successfully. There is also a proposal to set up a Centre for Excellence in Software Development and Training in Ho Chi Minh City. A proposal to set up a Centre for Satellite Tracking and Data Reception and an Imaging facility in Vietnam under IAI is also under consideration. A framework agreement on **space cooperation** was signed during PM Modi's visit in September and a MoU between the implementing agencies – ISRO and the National Centre for Remote Sensing of

Vietnam is under consideration.

IBSA funded Rice Seed Improvement Project in Danang was completed in October 2014 with a grant from IBSA fund of US\$ 529,000. This was coordinated by FAO and UNDP in Hanoi. A second IBSA funded **e-learning project for medical training** at the Haiphong Medical University was formally launched in January 2015.

Scholarships: Vietnam has been a large recipient of training programmes under Indian Technical and Economic Cooperation (ITEC) programme. Presently, 150 ITEC slots are being offered to Vietnam every year along with 16 scholarships under the General Cultural Scholarship Scheme (GCSS), 14 scholarships under the Educational Exchange Programme (EEP) and 10 scholarships under the Mekong Ganga Cooperation Scholarship Scheme (MGCSS).

Cultural Relations and People to People Exchanges: A cultural Agreement between India and Vietnam was signed in 1976. The Cultural Exchange Programme for the period 2011-14 was last renewed in 2011. Specific activities and exchanges are mutually agreed under the CEP for a period of three years. The Institute of Indian and South-West Asian Studies under the aegis of the Vietnam Academy of Social Sciences was inaugurated in Hanoi on 7 January 2012. Centre for Indian Studies at the Ho Chi Minh National Academy of Politics was set up in September 2014. The Department of South East Asian Studies, University of Social Sciences and Humanities of Vietnam, has a section on Indian Studies. A short-term “Tagore Chair” on Indian Studies has been set up at the University of Social Sciences and Humanities in HCMC with ICCR’s assistance. September –end also saw the establishment of the Indian Culture Centre in Hanoi.

India introduced e-visa facility for Vietnamese nationals in November 2014.

Indian Community: An estimated 2900 Indians, including family members and floating population stay in Vietnam. The largest number of Indian Diaspora lives in and around Ho Chi Minh City (HCMC) in Southern Vietnam. Many of the Indians are employed in Oil refinery, IT Sector, Hotels/Restaurants, Mining, Yoga Institutions and Schools. Long term work permits are issued to Indians for a maximum period of two years with option of renewal after every two years. Indians coming to Vietnam for short business trips get Business Visa for 3 months duration. Indian married to Vietnamese get 5 years (Exemption) Visa subject to the condition that the individual should exit and enter Vietnam after every 3 months of continuous stay in Vietnam unless they have a Vietnamese work permit. Some prominent Indians in Vietnam hold senior positions in the World Bank and UN organizations, while others hold managerial posts in multinational companies and banks. Indian business community and some prominent Indians in Vietnam are associated with the Indian Business Chamber (INCHAM) in Vietnam which is empanelled with Embassy of India, Hanoi since 1999. (December 2016)

