

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.

Exchange of high –level visits

There have been several high-level visits from both sides in recent years. From the Vietnamese side, these include General Secretary of the Communist Party of Vietnam Mr. Nong Duc Manh in 2003, Prime Minister Mr. Nguyen Tan Dung, in 2007, Vice-President Mme. 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. From the Indian side, Prime Minister, Mr. Atal Behari Vajpayee in 2001, Lok Sabha Speaker Mr. Somnath Chatterjee in March 2007, President Mrs. 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, Lok Sabha Speaker Mrs. Meira Kumar in May 2011. Vice President, Mr. Md. Hamid Ansari from 14-17 January for the closing ceremony of the India-Vietnam Friendship Year 2012.

General Secretary of the Communist Party of Vietnam Mr. Nguyen Phu Trong paid a State visit to India from 19-22 November at the invitation of Prime Minister Manmohan Singh. During his visit, General Secretary called on the President and met the Vice President, Speaker of the Lok Sabha and held talks with Prime Minister. External Affairs Minister and leaders of Indian political parties met the General Secretary separately. The General Secretary also visited Mumbai where he met the

Governor of Maharashtra and interacted with the Indian business community. A Joint Statement was issued and 8 bilateral MoUs/ agreements were signed.

Ministerial-level exchanges in the last few years include: External Affairs Minister Mr. S.M. Krishna visited Hanoi in September 2011 for the 14th India-Vietnam Joint Commission Meeting on Trade, Economic, Scientific and Technological Cooperation. Minister of State for External Affairs, Mr. E. Ahmed in January 2012 for the inauguration of the 'India-Vietnam Year of Friendship' marking the 40th anniversary of establishment of full diplomatic relations. Minister of Commerce and Industry Mr. Anand Sharma in March 2012. Minister for Agriculture Mr. Sharad Pawar in October 2012 and 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.

From the Vietnamese side, these include: Chairman of External Relations Commission, Communist Party of Vietnam, Mr. Hoang Binh Quan in April 2011, Vice-Chairman of National Assembly, Mr. Huynh Ngoc Son in May 2011 and Deputy Minister and Chairman of National Border Affairs Committee, Mr. Ho Xuan Son in June 2011. Deputy Prime Minister Mr. Nguyen Thien Nhan in March-April 2012. Chairman of the Fatherland Front, Mr. Huynh Dam in November-December 2012 under the Distinguished Visitors Programme of ICCR. Deputy Finance Minister, Mr. Tran Van Hieu in August 2012. Deputy Prime Minister, Mr. Vu Van Ninh in January 2013. Minister for Information and Communication Mr. Nguyen Bac Son in July 2013, Foreign Minister Pham Binh Minh in July 2013 for the 15th meeting of the Joint Commission and Minister of Public Security Gen. Tran Dai Quang in November 2013.

Regular meetings between the leaderships of the two sides have taken place at the sidelines of multilateral summit meetings.

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. 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.

Economic and Commercial Relations

India's relations with Vietnam are marked by growing economic and commercial engagement. India is now among the top ten trading partners of Vietnam.

Bilateral trade between India and Vietnam has seen continuous growth over the past few years. India is now among the top ten trading partners of Vietnam. According to Vietnam's official data, total trade volume touched US\$ 3.94 billion in 2012. According to India's official data, bilateral trade touched US\$ 6.1 billion in 2012. This discrepancy is due to the fact that Vietnamese data does not include Indian exports/imports routed through third countries, such as Singapore or exports to third countries through Vietnam. During the first nine months of 2013, trade registered an increase of 39% vis-à-vis the corresponding period of last year. Exports from India reached US\$2.1 billion, up 31% while exports from Vietnam were US\$ 1.84 billion, up 49%. During the visit of General Secretary Nguyen Phu Trong to India in November 2013, both sides revised the trade target (of US\$ 7 billion by 2015) to US\$ 15 billion by 2020.

Vietnam continues to be an attractive investment destination for Indian companies. As of June 2013, according to the figures from Vietnam's Foreign Investment Agency, India has 73 investment projects with total registered capital of US\$ 252.21 million. If investments by Indian companies from third countries are included as well, India has 68 valid projects with an estimated total investment capital of US\$ 936.23 million. Indian companies are investing in oil and gas exploration, mineral exploration and processing, sugar manufacturing, agro-chemicals, IT, and agricultural processing. Vietnam has three investment projects in India with total investment of US\$ 23.6 million.

OVL, Essar Exploration and Production Ltd, Nagarjuna Ltd, KCP Industries Limited, Ngon Coffee Manufacturing, Venkateswara Hatcheries, Philips Carbon and McLeod Russell, CGL are some of the major Indian investors. Tata Power plans to develop the US\$ 1.8 billion Long Phu-II Thermal Power Plant in Soc Trang. An MOU was signed between Tata Power and Vietnamese Ministry of Industry and Trade during the visit of General Secretary of Vietnam to India. In the field of IT training, NIIT, APTECH and Tata Infotech have so far opened more than 80 franchised centers spread all across Vietnam.

Defence Cooperation

The 8th annual security dialogue at the secretary level was held in Ho Chi Minh City on 8 November 2013. The Indian Armed Forces have been engaged with the capacity building of the Vietnamese Armed Forces particularly the Navy. The areas of focus have been training, repairs and maintenance support, exchanges between think tanks, study tour and ship visits. India and Vietnam would be co-chairing the Expert Working Group on Humanitarian Mine Actions in the ADMM+ forum. Four India Naval ships which included the indigenously built stealth frigate INS SATPURA and fleet tanker INS SHAKTI with a complement of around 1200 officers and sailors visited Da Nang from 6-10 June 2013.

Science and Technology

The Joint Committee on Science and Technology meets periodically to review the progress made in cooperation in Science and Technology. The 9th meeting was held in Hanoi in November 2012 at which the Programme of Cooperation (POC) in Science and Technology for 2013-14 was adopted by the two sides. The PoC provides for joint projects, seminars, workshops and exploratory visits of experts in the fields of biotechnology, material science, ICT, ocean development and oceanographic research, pharmaceuticals and medical research. Both sides have initiated a Joint Project for leather research and tannery waste recycling between Central Leather Research Institute of India and the Viet Nam Leather Research Institute.

A conference on Vietnam-India Biotechnology Cooperation was held in Hanoi on 27 February 2013 with participation of scientists from technology research and development institutes in both Vietnam and India. Both sides finalized a Programme of Cooperation (PoC) for 2013-2014.

Assistance and Capacity Building

Lines of Credit: Since 1976, India has offered several Lines of Credit (LoCs) to Vietnam over the years on concessional terms and conditions. So far, India has extended 17 LoCs worth more than US\$165 million to Vietnam. The last major LoC extended by India was in July 2013 for US\$ 19.5 million for execution of a Nam Trai-IV hydropower project and Binh Bo Pumping station. In addition, India has also extended lines of credit of US\$100 million for infrastructure and Defence procurement. India has also agreed to consider earmarking an amount of up to USD 100 million under the Buyer's Credit of the National Export Insurance Account (BC-NEIA) for use by Vietnam. India has offered to extend new LoCs to Vietnam for infrastructure projects.

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).

ARC-ICT: A US\$ 2 million Advanced Resource Centre in Information and Communications Technology (ARC-ICT) was inaugurated by External Affairs Minister in Hanoi in September 2011. The Centre has been set up by the Centre for Development of Advanced Computing (CDAC) and trains students and Government officials in various areas such as web designing, network systems, java, GIS applications and e-governance.

Gift of High Performance Computer: On 12 November 2013, the High Performance Computing facility at the Hanoi University of Science & Technology was inaugurated by Vice Minister of Education and Training Mr. Tran Quang Quy, Ambassador Preeti Saran

and Director General of CDAC Shri Rajat Moona. The 16-node cluster with basic visualization laboratory and a 5-node Grid Computing facility at an estimated cost of Rs. 4.7 crore has been gifted to Vietnam by India. This is the highest configuration of supercomputer ever gifted by Indian Government till date.

Indira Gandhi Hi-Tech Crime Laboratory: This Rs 2 crore grant assistance project to establish a Hi-Tech Crime Laboratory in Ha Noi. The MoU on this project was signed in November 2013.

Assistance to Vietnam within the ASEAN framework

India has set up the Vietnam-India Center for English Language Training in Danang in July 2007 and the Vietnam-India Entrepreneurship Development Centre in Hanoi in May 2006 as part of its support to the Initiative for ASEAN Integration providing technical assistance to the Government of Vietnam.

It has been decided to open a new Vietnam-India Centre for English Language Training at the National Defence Academy of Vietnam. Both sides have also agreed to consider setting up a Vocational Training Centre 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 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.

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 is under consideration.

Cultural Relations and People to People Exchanges

The year 2012 marked the 40th anniversary of the establishment of full diplomatic relations between India and Vietnam. The year 2012 also marked the 20th anniversary of partnership between India and ASEAN. The two sides celebrated it as the 'Year of Friendship between India and Vietnam' with activities such as commemorative seminars, business events, performances by cultural troupes, organizing film festivals, culinary week and art exhibitions. An international conference on Cham dynasty civilizational Linkages between India and Vietnam was organized by the Embassy with Indian Council for Cultural Relations (ICCR)'s support in Danang in June 2012. A Sail Training ship "INS Sudarshini" paid a goodwill visit to Danang from December 31, 2012 to January 3, 2013, cultural programmes and a business seminar were also held to coincide with the ship's visit.

India has decided to open a Cultural Centre in Hanoi in 2014. The Centre will strengthen India's cultural presence in Vietnam and constitute an important dimension of the friendly partnership between the two countries.

Conservation and restoration of Cham monuments: The Archaeological Survey of India will execute a conservation and restoration project at the UNESCO heritage site of My Son in Vietnam. The project will highlight the old linkages of the Hindu Cham civilization between India and Vietnam. An MoU is under discussion, project duration would be 5 yrs.

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. A revised Air Services Agreement was signed in November 2013.

India has accorded visa-on-arrival facility for Vietnamese nationals with effect from 1 January 2011.

Indian Community

Estimated population of Indians living in Vietnam is 1500, 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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