

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 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. Prime Minister, Mr. Nguyen Tan Dung in December 2012 to participate in the India-ASEAN Commemorative Summit. 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. Vice President, M. Hamid Ansari from 14-17 January for the closing ceremony of the India-Vietnam Friendship Year 2012.
- Ministerial-level exchanges in the last few years include: EAM visited Hanoi in September 2011 for the 14th India-Vietnam Joint Commission Meeting on Trade, Economic, Scientific and Technological Cooperation. MoS (EA) visited Vietnam in January 2012 to attend the commemorative event to mark the 40th anniversary of establishment of full diplomatic relations. MOS(EA), Shri E. Ahmed in January 2012 for the inauguration of the 'India-Vietnam Year of Friendship. CITM, Shri Anand Sharma in March 2012. Agriculture Minister, Shri Sharad Pawar in October 2012 and MOS for Tourism, Dr. K. Chiranjeevi in January 2013.

- 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.
- 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 and Strategic Dialogue at Secretary-level provide the larger framework for bilateral cooperation in various areas. The 6th FoCs and 3rd Strategic Dialogue will be held in Delhi in 2013. The 15th JCM is scheduled to take place in New Delhi in 2013. Dates are being finalized.

Commercial Relations

- India's relations with Vietnam are marked by growing economic and commercial engagement, especially in recent years.
- Bilateral trade continues to grow rapidly and touched US\$ 3.94 bn in 2012, an increase of 1.1% vis-à-vis 2011. Though India's exports increased by 9% to US\$ 2.15 bn, Vietnam's exports increased by 14.69% to reach US\$ 1.78 bn. India is currently the 10th largest exporter to Vietnam. During the visit of President Sang to India in October 2011, the two sides agreed to set the target of bilateral trade at US\$ 7 billion by 2015. The India-Vietnam Business Forum, established in April 2010, expected to provide a platform to strengthen business exchanges from both sides, was also launched during his visit.
- Vietnam continues to be an attractive investment destination for Indian companies. As of December 2011, India has 62 investment projects with total registered capital of US\$ 234 million. If investments by Indian companies from third countries are included as well, India has 86 projects with total investment capital of US\$ 868 mn. Indian companies are investing in oil and gas exploration, mineral exploration and processing, sugar manufacturing, agro-chemicals, IT, and agricultural processing. Vietnam's investment in India is currently in one project of US\$ 0.15 million.
- 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.

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

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.

Cultural Relations

- 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 Civilisational Linkages between India and Vietnam was organized by the Mission with 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.

Assistance and Capacity Building

Since 1976, India has extended 14 Lines of Credit totaling Rs. 561 crores to Vietnam. This includes the LoC for US\$ 45 million extended for Nam Chien hydropower project which is being executed by BHEL. India has offered a fresh Line of Credit for USD 19.5 million to Vietnam for setting up hydropower projects. India has agreed to consider earmarking an amount of up to USD 100 million under the Buyer's Credit under the National Export Insurance Account (BC-NEIA) for use by Vietnam. India has offered to extend new LoCs to Vietnam for infrastructure projects. Project proposals are awaited from the Vietnamese side.

- Vietnam has, over the years, been a large recipient of training programmes under Indian Technical and Economic Cooperation (ITEC) programme. It has fully utilized 80 slots allotted to the country annually. Since 2012, the number of ITEC slots has been

increased from 80 to 150. By the end of March 2013, it is expected to utilize the entire 150 slots of the academic year 2012-2013. Vietnam also utilizes the graduate, post-graduate and Ph.D. courses under General Cultural Scholarship Scheme (GCSS). Several hundred Vietnamese students, many of whom are now senior officers, have graduated from universities under this programme. Vietnam has now been utilizing 14 scholarships under Education Exchange Programme (EEP) and since 2006, 10 slots for undergraduate courses funded by Mekong Ganga Corporation (MGC) programme. The number of GCSS has been increased from 10 to 16 with effect from 2012.

- The first meeting of the India-Vietnam Joint Working Group on Educational Exchange was held in May 2012 in New Delhi. The meeting discussed measures to strengthen cooperation in the field of education between the two countries.
- India has decided to open a cultural centre in Hanoi. The Centre will strengthen 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.
- 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.

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

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