India-Vietnam Relations

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 in 1954. President Ho Chi Minh visited India in February 1958 on state visit. 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 '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. Vietnam is also an important pillar amongst India's CLMV partners.

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 Mrs. Nguyen Thi Doan in 2009, Chairman, National Assembly of Vietnam Mr. Nguyen Phu Trong in 2010, President Mr. Truong Tan Sang in October 2011, Prime Minister Mr. Nguyen Tan Dung in December 2012 and General Secretary of the Communist Party of Vietnam Mr. Nguyen Phu Trong in November 2013. From the Indian side, high-level visits include Prime Minister Mr. Atal Bihari 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, Lok Sabha Speaker Mrs. Meira Kumar in May 2011 and Vice President, Mr. Md. Hamid Ansari in 2013. In September 2014, President of India H.E. Mr Pranab Mukherjee visited Hanoi and Ho Chi Minh City. The Prime Minister of Vietnam, H.E. Mr. Nguyen Tan Dung paid a State Visit to the Republic of India in October 2014. During the visit, the following Agreements were signed:-

(i) MoU on the Establishment of Nalanda University; (ii) MoU on Conservation and Restoration of the World Heritage Site of My Son, Quang Nam Province, Vietnam; (iii) MoU on Establishing the Centre for English Language and Information Technology Training at the Telecommunications University; (iv) Cultural Exchange Programme 2015-17; (v) MoU on Exchange of Audio-Visual Programmes; (vi) MoU between OVL and PetroVietnam; and (vii) MoU between ONGC and PetroVietnam.

Ministerial-level exchanges in the last few years include: (i) 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; (ii) Mr. E. Ahmed visited in January 2012 for the inauguration of the 'India-Vietnam Year of Friendship' marking the 40th anniversary of establishment of full diplomatic relations; (iii) Minister of Commerce and Industry Mr. Anand Sharma visited in March 2012; (iv) Minister for Agriculture Mr. Sharad Pawar visited in October 2012; (v) Minister of State for Tourism, Dr. K. Chiranjeevi visited in January 2013; (vi) Minister of State for Commerce and Industry Dr. D. Purandeswari to Ho Chi Minh City in April 2013; (vii) Minister of Shipping Mr. G.K. Vasu visited in May 2013, during which the bilateral Maritime Shipping Agreement was signed. External Affairs Minister of India visited Vietnam in August 2014. During her visit, she held delegation level talks with Deputy Prime Minister and Foreign Minister of Vietnam, Mr. Pham Binh Minh. Bilateral, regional and multilateral issues of mutual interest were discussed. The Minister also called on President Truong Tan Sang and Prime Minister Nguyen Tan Dung on August 25, 2014. Both sides agreed to further strengthen and deepen the Strategic Partnership between India and Vietnam.
From the Vietnamese side, these include: (i) Deputy Prime Minister Mr. Nguyen Thien Nhan in March-April 2012; (ii) Deputy Finance Minister Mr. Tran Van Hieu in August 2012; (iii) Deputy Prime Minister Mr. Vu Van Ninh in January 2013; (iv) Minister for Information and Communication Mr. Nguyen Bac Son in July 2013; (v) Minister of Foreign Affairs Mr. Pham Binh Minh in July 2013 for the 15th meeting of the Joint Commission; (vi) Minister of Public Security Gen. Tran Dai Quang in November 2013; (vii) Minister of Health Mrs. Nguyen Thi Kim Tien in December 2013. Regular meetings between the leadership of the two sides have also taken place on the sidelines of multilateral meetings. Recently 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:

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 and a Sub-Committee on Trade set up in November 2013. The 2nd meeting of the Sub-Commission was held in Hanoi from 19-20 January 2015. Commerce Secretary led an official plus business delegation to Hanoi and HCMC during this visit.

Economic and Commercial Relations

India's relations with Vietnam are marked by growing economic and commercial engagement. India is among the top ten trading partners of Vietnam. Vietnam is ranked as the 28th trading partner of India. Bilateral trade between India and Vietnam has seen continuous growth over the past few years. According to Vietnam's official data, total trade volume touched US$ 5.23 billion in 2013, an increase of 32.8% over the last year. In 2014 the total trade turnover was USD 5.60 billion (India’s export $3.1 bln, import $2.5 bln). According to the data from General Statistics Office of Vietnam, during January-October, 2015, bilateral trade was US$ 4.28 billion which included $2.2.5 billion export from India and $2.07 billion export from Vietnam. However if commodities of temporary import are included, total value of trade was more than US$ 9.2 billion in 2014-15 as per the data from Indian side. During the visit of Party General Secretary H.E. Nguyen Phu Trong to India in November 2013, both sides revised the trade target from US$ 7 billion by 2015 and to US$ 15 billion by 2020. We are well on the track to easily achieve this target. Vietnam continues to be an attractive investment destination for Indian companies. India is ranked as the 27th largest investor in India with 111 projects and with the registered capital of $530 million. However if investments by Indian companies from third countries are included as well, India’s estimated total investment capital cross the figure of US $ 1 billion. Indian companies are investing in oil and gas exploration, mineral exploration and processing, sugar manufacturing, agro-chemicals, IT, and agricultural processing. Additionally TATA group has been allotted a project of $2.1 billion in thermal power plant in SocTrang province. Vietnam has three investment projects in India with total investment of US$ 26 million. ONGC Videsh Ltd. (OVL), NIVL Ltd, KCP Industries Limited, Ngon Coffee Manufacturing, Tech Mahindra, CCL are some of the major Indian investors.

Direct Flight and Indian Banks: The Air Service Agreement was signed in Nov 2013 during the visit of Party General Secretary H.E. Mr Nguyen Phu Trong to India. Jet Airways has started the code sharing direct flight between Ho Chi Minh City and Delhi/Mumbai w.e.f. 5.11.2014. Since 2007, two Indian Banks i.e. Bank of India and Indian Overseas Bank have operated Representative Offices in Vietnam. Bank of India has already been given the license to open its branch in Ho Chi Minh City. A Bank of India Branch will be in operational soon in Ho Chi Minh City.
**Defence Cooperation:**

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 tours and ship visits. 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. Recently a Coast Guard ship ‘Sarang’ visited Ho Chi Minh City from 26-30 August, 2015.

**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.

A MoU between Centre for Development of Advanced Computing, Department of Electronics and IT, Government of India; and Posts and Telecommunications Institute of Technology (PTIT), Ministry of Information and Communications, Government of Vietnam has been signed for setting up of a sustainable IT infrastructure for advanced IT training under India- ASEAN Cooperation. This will be established in PTIT Ho Chi Minh City.

**Gift of High Performance Computer:** On 12 November 2013, the High Performance Computing facility at the Hanoi University of Science & Technology was inaugurated. 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.

**Cu Long Rice Research Institute** was set up in Mekong Delta under ITEC assistance in 1977. Assistance was provided in setting up of equipment and training to experts.
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.

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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. A MoU is under discussion, project duration would be 5 yrs.

An exhibition on ‘India & Vietnam for Peace and Development was inaugurated on 28 August in War Remnant Museum, Ho Chi Minh City which was exhibited for two months. This was to commemorate the 125th birth anniversary of President Ho Chi Minh, 40th anniversary of reunification of Vietnam, 70th anniversary of Vietnam Declaration of Independence and 43rd anniversary of establishment of full diplomatic relations between India and Vietnam.

On 14 August 2015 a Painting competition on India-Vietnam Friendship was organized in cooperation with Ho Chi Minh City Union of Friendship Organisation. A fashion show on Ao Dai-Saree (Vietnamese and Indian dress) was organized on 16 October, 2015 in the War Remnant Museum with the cooperation of eminent designer Mr Le Sy Hoang. International Yoga Day was celebrated on 21st June, 2015 which was attended to about 5000 participants. Hindi Day was celebrated with the cooperation of University of Social Sciences and Humanities and Ho Chi Minh Union of Friendship Organisation. Indian film festival was organised in Hanoi, Danang and Ho Chi Minh City from 12-23 December, 2015.
Indian Community

Estimated population of Indians living in Vietnam is 2000, 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. Indian Yoga Association and Indian Women Association have been formed in Ho Chi Minh City.

Useful Resources:

Embassy of India, Hanoi website:  
http://www.indembassy.com.vn/

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