



## President Obama's Vietnam Visit

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President Barack Obama, visited Vietnam (23-25 May 2016). The visit can be viewed as one undertaken in continuation of the importance that the US is placing on the Asia-Pacific region. The Asian rebalance strategy has been a central objective of the President's broader foreign and economic policy, rooted in the belief that this largest-emerging market in the world is critical to the US's future prosperity and also central to a whole host of critical US national security interests as well.<sup>1</sup> It can also be viewed as an attempt by the President to build upon his legacy and in furtherance of his policy of rebuilding America's relations with erstwhile rivals, such as Cuba, Iran, Myanmar and now Vietnam.

The history of US-Vietnam relations is one of Cold War rivalries and fears of communism, a war, countless people killed, soldiers still missing, of unexploded landmines and bombs and the enduring effects of chemical agents used during the war.

The visit by President Obama was to stress the strategic nature of the US's dialogue with Vietnam, as part of its larger 'Rebalance' to Asia-Pacific region. This became evident when the President announced that "...the Trans-Pacific Partnership (TPP), not only to support trade, but to draw our nations (US and Vietnam) closer together and reinforce regional cooperation. ...it will support vital economic reforms here, further integrate Vietnam into the global economy, and reduce tariffs on American exports to Vietnam...." He also stated that the US is "...fully lifting the ban on the sale of military equipment to Vietnam that has been in place for some 50 years. As with all our

(the US) defence partners, sales will need to still meet strict requirements, including those related to human rights. But this change will ensure that Vietnam has access to the equipment it needs to defend itself and removes a lingering vestige of the Cold War. It also underscores the commitment of the United States to a fully normalized relationship with Vietnam, including strong defence ties with Vietnam and this region for the long term.”<sup>2</sup>

### **Rebuilding the Relationship**

The US established diplomatic relations with Vietnam in 1950, following its limited independence within the French Union. However, civil war in Vietnam, Cold War politics and the US war in Vietnam, led to the US closing its embassy in 1975. It was only in 1995, that the US announced the formal normalisation of relations with Vietnam. In 2015, the two nations marked the 40th anniversary of the end of the Vietnam War, the 20th anniversary of diplomatic relations, with visits by Secretary of State Mr. John Kerry to Vietnam and Secretary-General of the Vietnam Communist Party (VCP), Mr. Nguyen Phu Trong’s visit to the US.

Secretary-General Trong’s visit in 2015 was not just symbolic in its importance but also a major development in US- Vietnam relations. During the course of Mr. Trong’s five-day visit (July 6-10), he met with President Barack Obama, Vice President Joe Biden, National Security Advisor Susan Rice, Secretary of State Kerry, Secretary of the Treasury Jack Lew, US Trade Representative Michael Froman, Senators John McCain and Patrick Leahy, American religious leaders, Vietnamese-American community representatives, American entrepreneurs, the head of the Communist Party of the US, former President Bill Clinton, United Nations Secretary General Ban Ki-moon, and a group of Harvard University professors. The range of people and their backgrounds are indication that Vietnam and the US are viewing a wide ranging relationship. This became evident when the US and Vietnam raised their bilateral relations to a comprehensive partnership in 2015.

The partnership is an overarching framework for advancing the bilateral relationship and underscores the US commitment to the Asia-Pacific rebalance. The underlying principles of the US-Vietnam Comprehensive Partnership include; respect for the United Nations Charter, international law, and each other’s political systems, independence, sovereignty, and territorial integrity. The Partnership is intended to contribute to peace, stability, cooperation, and

prosperity in each country, in the region, and in the world. The Partnership included cooperation in areas including political and diplomatic relations, trade and economic ties, science and technology, education and training, environment and health, war legacy issues, defence and security, protection and promotion of human rights, and culture, sports, and tourism.<sup>3</sup>

Even before the partnership was announced the US and Vietnam had taken steps to build a mutually beneficial relationship. The two countries are members of a number of regional organisations such as ASEAN and the Asia- Pacific Economic Forum, while being members of international organisations such as the United Nations, IMF, World Bank, etc. The two countries are now working more closely together to contribute to peace, stability, cooperation and prosperity in the region. The economic relationship between the two has steadily grown since the entry into force of the US- Vietnam Bi-lateral Trade Agreement in 2001. US-Vietnam bilateral trade has grown from \$451 million in 1995 to nearly \$35 billion in 2014.<sup>4</sup> A priority for both nations is the TPP and its proposed benefits.

One of the key aspects of this relationship is locating and repatriating, if possible, soldiers missing or unaccounted for in Vietnam (Indochina). The Joint POW/MIA Accounting Command conducts four major investigations and recovery periods per year in Vietnam, during which specially trained US military and civilian personnel investigate and excavate hundreds of cases in pursuit of the fullest possible accounting. Vietnamese-led recovery teams have become regular participants in these recovery missions since August 2011. There are still close to 1600 soldiers unaccounted for by the US armed forces from its fronts in Southeast Asia (Laos, Cambodia, etc), of these about 1300 unaccounted soldiers are in Vietnam.<sup>5</sup> It is the endeavour of the US government to ensure that as many as possible are accounted for.

The other key points that are the foundations of the defence cooperation between the two are the US assistance in recovering unexploded ordnance (UXO) and demining. Vietnam remains heavily contaminated by explosive remnants of war, including extensive contamination by cluster munitions. The US is, as it ought to be, the largest single donor to UXO/mine action in Vietnam, and the two countries signed a memorandum of understanding on continued unexploded ordnance cooperation in December 2013. Since 2007 (till 2015), the US Congress has appropriated over \$130 million to address the issue of environmental and health damage attributed to a dioxin

contained in Agent Orange and other herbicides sprayed over much of the southern portion of the country during the Vietnam War. In recent years, US response to the environmental damage and health problems caused by Agent Orange and its associated dioxin in Vietnam has been viewed as helping to advance bilateral relations between the two nations.<sup>6</sup>

During his visit to Washington, Secretary General Trong met President Obama in the Oval Office at the White House, an honour that is reserved, normally, for heads of State or government. This respect was both symbolic of the importance that the US places on the relationship as well acceptance of the prime position of the secretary general in Vietnam's political system and US respect for that. The US agreed to pursue "a deepened, sustained, and substantive relationship on the basis of respect for each other's political systems, independence, sovereignty and territorial integrity." The meeting between the two leaders was able to set a precedent for future visits by Vietnam's party leaders. For Vietnam the visit helped allay its fears that the US wants to overturn their form of governance through a peaceful revolution and change the political system in Vietnam.<sup>7</sup>

### **President Obama's Visit**

The President's visit reiterates the importance that has been placed by the US on Vietnam; especially in its efforts to build a partnership to augment its Asian rebalance policy. Located at a geographical midpoint, connecting Northeast Asia and Southeast Asia, Vietnam has a 2000 mile coastline facing the South China Sea. It is home to a vibrant economy and its association with ASEAN has allowed it to play a growing role in regional politics.<sup>8</sup> As the US refocuses its attention on the Asia and Pacific region, the importance of good relations with Vietnam cannot be underestimated.

The lifting of the arms embargo despite the 'poor human rights record' is clearly linked to the US rebalance policy. The US has stated that the policy of deeper and broad relations with the Asian nations has an economic, diplomatic and security dimension. The removal of the ban on sale of arms to Vietnam is part of this larger strategy. In his interactions with the press, President Obama stated that, "... the decision to lift the embargo was not based on China or any other consideration."<sup>9</sup> However, to accept that the US decision is not partly based on China would be naive. President Obama in his remarks stated that, "...the United States and Vietnam are united in

our support for a regional order, including in the South China Sea -- where international norms and rules are upheld, where there is freedom of navigation and over flight, where lawful commerce is not impeded, and where disputes are resolved peacefully, through legal means, in accordance with international law.” Adding that, “...the United States will continue to fly, sail, and operate wherever international law allows, and we will support the right of all countries to do the same.”<sup>10</sup> Excluding Brunei, the US has established close partnerships with all countries party to the South China Sea dispute against China<sup>11</sup>.

The decision to lift the ban is also in continuation of the agreements signed by (then) Defence Secretary Mr. Leon Panetta to allow access for US supply ships to Cam Ranh Bay and its repair facilities. The US also wants to see growth in high-level exchanges, in the maritime area, in search and rescue, in humanitarian aid and disaster relief and in peacekeeping operations.<sup>12</sup> Additionally, the US has tended to use arms transfers not merely to earn point-of-sale revenues but also to establish ongoing relationships of security cooperation that include both follow-on sales of spare parts and repairs as well as opportunities for educational exchanges, training and exercises. While the relationship may start with limited sales, it could in time lead to a much more comprehensive defence relationship.<sup>13</sup> Vietnam is a partner in America’s Global Peace Operations Initiative<sup>14</sup>. In 2014, it began contributing to UN peace operations in a small way, but with plans to send engineering, medical, and other specialised units in the near future in which the US agreed to provide personnel who can assist with training of Vietnamese forces.

On the economic front, 2016 marked the 15th anniversary of the US granting Vietnam permanent normal trade relations (PNTR). [The US and Vietnam signed a bilateral trade agreement (BTA) on July 13, 2000, which went into force on December 10, 2001. As part of the BTA, the US extended to Vietnam conditional most favoured nation (MFN) trade status, now known as normal trade relations (NTR).] It was also in February 2016 that the two nations signed the TPP. Since 2011, the US Congress has appropriated over \$10 million each year to support Vietnam’s economic reforms. In addition, the two nations have set up a ministerial-level Trade and Investment Agreement (TIFA) Council to discuss issues related to the implementation of the Bilateral Investment Treaty (BIT) and WTO agreements, as well as trade and investment policies in general.<sup>15</sup> US-Vietnam goods trade totalled \$451 million in 1995, the year the US and Vietnam normalised diplomatic relations, today it stands at close to \$45 billion.<sup>16</sup>

During President Obama's visit, the two sides reaffirmed their commitment to ratify the TPP. Vietnam's incentive to join the TPP largely is contingent on greater market access in the US, particularly for agricultural goods, aqua-cultural goods, clothing, and footwear. For the US, Vietnam offers a significant market for US exports, but some parties are concerned about Vietnam's protection of workers' rights, protection of intellectual property rights, and potential unfair competition from state-owned or state-controlled enterprises.<sup>17</sup> The US has offered technical assistance and capacity building programmes to Vietnam to meet the standard of labour, environment and intellectual property rights that are part of the TPP. In turn, Vietnam has to implement labour reforms. President Quang stated that, "The TPP is a significant trade and economic linkage. ... TPP and Vietnam's participation in TPP is one step undertaken by the Vietnamese government in our (Vietnam's) process of extensive international integration."<sup>18</sup> For the US, the TPP is economically and strategically beneficial. The agreement allows the US to lay the legal framework for trade in the Asia Pacific, and strengthen its influence on the region that is facing rapid economic growth. As was stated by President Obama in his statement after the TPP was signed, "TPP allows America – and not countries like China – to write the rules of the road in the 21st century..." The US is keen to promote ASEAN economic integration, increase trade and investment, assist the development of clean energy and energy connectivity, and spur sustainable, innovation-led economic growth. In this respect it wants to strengthen its trade and investment relations with Vietnam through the US- ASEAN Connect initiative<sup>19</sup>.

The US and Vietnam have signed an Administrative Arrangement on the peaceful uses of nuclear energy in April 2016. The two nations announced the US-Vietnam Joint Committee on Civil Nuclear Cooperation to facilitate the implementation of the 123 Agreement as well as cooperation and information sharing, including engagement from both the government and private sectors, in a range of areas including nuclear safety, security, safeguards and non-proliferation. In the future this deal should prove beneficial for the US nuclear industry and could also pave the way for future deal on the exchange/sale of sensitive and/ or dual use technology.

The issue of human right in Vietnam has been a point of disagreement between the two nations but it will not be used as an excuse to slow down the strengthening of this relationship which encompasses a broad range of topics. In April 2016, the 20th session of the US-Vietnam Human Rights Dialogue was held in Washington, D.C. The annual event is a focus on the progress on

legal reform efforts, rule of law, freedom of expression and assembly, religious freedom, labour rights, disability rights, LGBTI rights, multilateral cooperation, in Vietnam, as well as individual cases of concern. For the near future the US is focussing its attention on the political and civil rights as espoused in the Vietnamese Constitution, labour rights and economic liberalisation as part of the TPP and applauding the steps taken by the Vietnamese government towards accountability and transparency. President Obama in his address to the people of Vietnam, made it clear that while the two nations have difference on these issues, the US will not be impose its ideas on Vietnam. He stated that Vietnam would implement these rights differently than the US, but he hoped that the two countries would work on these issues and improve on them.

### **Conclusion**

The meeting between President Obama and Secretary General Trong laid the foundations on which the US and Vietnam are building their future relationship. The visit by President Obama was in part reciprocal and in part was to strengthen the US's Asia strategy, which involves improved political, economic and military relations with the nations of the region. An important aspect of this policy is enhanced capacity building in the security realm. The US is hopeful that good relations with Vietnam would allow it to encourage future economic and political reforms in that country. For Vietnam, the relationship with the US would add to its ability to address development issues and conventional and non-conventional security challenges it faces in the region. It will also help Vietnam buttress its regional position.

The bi-lateral relations between the two nations are promising. Both Washington and Hanoi have common interest in the region and this convergence of interests could contribute to building a strong relationship, which has the capacity to resolve the differences between the two.

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*Disclaimer: Views expressed are of authors and do not reflect the views of the Council.*



**Endnotes:**

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<sup>1</sup> Office of the Press Secretary, The White House, “Press Call on the Upcoming Trip to Vietnam and Japan”, <https://www.whitehouse.gov/the-press-office/2016/05/20/press-call-upcoming-trip-vietnam-and-japan>, (accessed on 01 June 2016).

<sup>2</sup> The Office of the Press Secretary, The White House, “Remarks by President Obama and President Quang of Vietnam in Joint Press Conference,” <https://www.whitehouse.gov/the-press-office/2016/05/23/remarks-president-obama-and-president-quang-vietnam-joint-press>, (accessed on 01 June 2016).

<sup>3</sup> The Office of the Press Secretary, The White House, “Joint Statement by President Barack Obama of the United States of America and President Truong Tan Sang of the Socialist Republic of Vietnam,” <https://www.whitehouse.gov/the-press-office/2013/07/25/joint-statement-president-barack-obama-united-states-america-and-preside>, (accessed on 07 June 2016).

<sup>4</sup> The US Embassy in Vietnam, “U.S. - Vietnam Relations,” <http://vietnam.usembassy.gov/usvnrrelations.html> (accessed on 02 June 2016).

<sup>5</sup> Details are available at Defence POW/MIA Accounting Agency

<sup>6</sup> Michael F. Martin (a), “U.S. Agent Orange/Dioxin Assistance to Vietnam,” <https://www.fas.org/sgp/crs/row/R44268.pdf>, (accessed on 02 June 2016).

<sup>7</sup> Carl Thayer, “8 Developments in US-Vietnam Relations Show Emerging Partnership”, The Diplomat, July 13, 2015, <http://thediplomat.com/2015/07/8-developments-in-us-vietnam-relations-show-emerging-partnership/>, (accessed on 02 June 2016).

<sup>8</sup> Murray Hiebert, Phuong Nguyen and Gregory B. Poling, “A New Ear in US-Vietnam Relations: Deepening Ties Two Decades after Normalisation,” [https://csis-prod.s3.amazonaws.com/s3fs-public/legacy\\_files/files/publication/140609\\_Hiebert\\_USVietnamRelations\\_Web.pdf](https://csis-prod.s3.amazonaws.com/s3fs-public/legacy_files/files/publication/140609_Hiebert_USVietnamRelations_Web.pdf), (accessed on 06 June 2016).

<sup>9</sup> Op. Cit. 6, Michael F. Martin (a)

<sup>10</sup> Ibid.

<sup>11</sup> The parties to the dispute apart from China are Malaysia, Vietnam, Brunei, Taiwan, Indonesia, and the Philippines.

<sup>12</sup> US Department of Defence, “Panetta’s Cam Ranh Bay Visit Symbolizes Growing U.S.-Vietnam Ties,” <http://archive.defense.gov/news/newsarticle.aspx?id=116597>, (accessed on 01 June 2016).

<sup>13</sup> Scott W. Harold, “Why has Obama Lifted the Arms Sales Ban on Vietnam?,” <http://www.newsweek.com/why-has-obama-lifted-arms-sales-ban-vietnam-463435>, (accessed on 01 June 2016).

<sup>14</sup> Global Peace Operations Initiative is a US Government-funded security assistance program intended to enhance international capacity to effectively conduct United Nations and regional peace support operations (PSOs) by building partner country capabilities to train and sustain peacekeeping proficiencies; increasing the number of capable military troops and formed police units (FPUs) available for deployment; and facilitating the preparation,



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logistical support, and deployment of military units and FPU to PSOs. More information is available at <http://www.state.gov/t/pm/ppa/gpoi/>

<sup>15</sup> Michael F. Martin (b), “U.S.-Vietnam Economic and Trade Relations: Issues for the 114th Congress,” <https://www.fas.org/sgp/crs/row/R41550.pdf>, (accessed on 07 June 2016).

<sup>16</sup> The Office of the Press Secretary, The White House, “FACT SHEET: Trade and Investment with Vietnam,” <https://www.whitehouse.gov/the-press-office/2016/05/24/fact-sheet-trade-and-investment-vietnam>, (accessed on 07 June 2016).

<sup>17</sup> Op Cit 15 Michael F. Martin (b).5

<sup>18</sup> Office of the Press Secretary, The White House, “Remarks by President Obama and President Quang of Vietnam in Joint Press Conference,” <https://www.whitehouse.gov/the-press-office/2016/05/23/remarks-president-obama-and-president-quang-vietnam-joint-press>, (accessed on 01 June 2016).

<sup>19</sup> U.S.-ASEAN Connect announced by President Obama at the U.S.-ASEAN Summit in Sunnylands, CA, (Feb. 2016) will strengthen the United States economic engagement with the Association of Southeast Asian Nations (ASEAN) and the ASEAN Member States (AMS). Strong economic ties are at the core of the United States and ASEAN’s decades-long partnership.