

INDIA LEANS TOWARDS VIETNAM AND IS PREPARED TO TAKE ON CHINA IN THE SOUTH CHINA SEA

## NAMO TAKES ON DRAGON



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Let us first look at the basic facts. Four high-level visits have taken place within the past 12 months: Of Nguyễn Phú Trọng, general secretary of the Communist Party of Vietnam to India; Srimati Sushma Swaraj, external affairs minister and Pranab Mukerjee, president of India to Vietnam; and Nguyễn Tấn Dũng, prime minister of Vietnam to India. Fourteen agreements have been signed during the last two visits alone. Prime Minister Narendra Modi has been invited to visit Vietnam, a visit that might take place next year. In 2015, Vietnam will take over as the coordinator for India-ASEAN dialogue and cooperation.

This clearly demonstrates that the India-Vietnam relationship is a larger story than what media headlines seem to suggest. The China factor is relevant, but it is not the only important consideration behind the remarkable growth in India's engagement with Vietnam.

**Strategic Partnership (SP):** The latest joint statement highlights the two governments' commitment to "comprehensive development of Strategic Partnership." What does SP really stand for? The opt-used term means that our relationship with Vietnam covers all important sectors of bilateral activity; that bilateral relations are marked by growing substance and momentum; and that these relations are of critical importance to the pursuit of national interest by each country. The question to examine is: how have they progressed and where are they heading?

To put the discussion in a wider context, it may be recalled that a collective memory of rich connections and exchanges through trade, culture, religious influences and ideas exists, providing a solid foundation to India-Vietnam friendship. Post-colonial empathy and solidarity serve as powerful bonds. The two nations' adherence to national independence and opposition to hegemony constitutes a powerful motivation to stay closer. Their developmental aspirations and especially Vietnam's desire to benefit from India's economic progress are also relevant.

**Five Pillars:** Of SP's five pillars, political cooperation reflecting the shared worldview, particularly in East Asia, has witnessed notable consolidation through recent visits. India's Look East or Act East policy complements Vietnam's natural inclination to look west, east and elsewhere in order to secure its national goals of security and development. Building close ties with ASEAN remains a central priority for India. Vietnam is one of the more critically



Prime Minister Narendra Modi shakes hands with his Vietnamese counterpart Nguyễn Tấn Dũng.

important ASEAN member-states from the political perspective. In 2012, India and Vietnam held celebrations to mark the forty years of the establishment of full diplomatic relations. In July 2014, they celebrated the 60th Anniversary of Geneva Accords. Increased frequency in interaction at VVIP level is indicative of an established habit of mutual consultation. "Changes in the global geo-political and economic scenario," wrote Ranjit Rae, the previous Indian ambassador to Vietnam, "have impacted positively on India-Vietnam partnership."

At the decade's beginning, there was a hint of Vietnam's discontent over slow progress on a few matters of bilateral cooperation, but developments in 2013 and 2014 have left little room for any negativity. Speaking at an event hosted by the Indian Council of World Affairs (ICWA) last year, Foreign Minister Pham Bình Minh stated: "In short, we in ASEAN welcome India's commitment and engagement with ASEAN with concrete measures. We all want to see more of India's presence in Southeast Asia, not only politically, but also economically."

The second pillar, economic engagement, covering various fields is, according to a senior Indian official, "the backbone of all cooperation." Bilateral trade is growing rapidly, having exceeded the earlier target of US\$ 7 billion. The new goal of raising

it to US\$ 20 billion in five years seems realistic. Investment by Indian companies in Vietnam has been on the rise. As member both of the emerging TPP and RCEP, Vietnam has special attractiveness for Indian entrepreneurs. ASEAN's economic integration will further improve these prospects.

India Inc's footprint is becoming substantial. Tata Power's presence with an investment of \$1.8 billion is consequential. The Bank of India is starting operations as a full-fledged branch in Ho Chi Minh City. The much-talked about grievance about lack of direct flights is about to be remedied with Jet Airways starting its flights linking Mumbai and Delhi to Ho Chi Minh City from next week.

Energy cooperation is the third pillar. OVL's initiatives to forge cooperation in the hydrocarbon sector have attracted widespread attention. India's imperative to ensure long-term energy security and availability of rich resources in Vietnam are well known. This mutually beneficial relationship dates back to 1988. Apart from the three off-shore blocks where OVL has been involved (one of which was surrendered later), Vietnam has recently offered five new blocks. OVL has decided to investigate two of them. The issue has triggered some controversy in the light of China's claims concerning the South China Sea and Vietnam's position on this matter. The comments made by



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China's ministry of foreign affairs appear to be susceptible to multiple interpretations. Their implications would no doubt be receiving close scrutiny by the authorities in Hanoi and New Delhi.

Defence and security, the fourth pillar, has been growing at "a healthy pace", as an MEA official put

it. While this pillar has many facets - strategic dialogue, exchange of visits, training of defence personnel, naval visits - two aspects have drawn special attention. The first is the grant of a defence Line of Credit (LOC) for purchase of patrolling vessels by Vietnam. This marks a measured stepping up of defence coopera-

tion. The second is the long-pending request by Vietnam for BrahMos cruise missiles. It appears that no decision has been reached yet.

Finally, a combination of cooperation programmes in other areas including development, culture, tourism and civil society linkages represents the fifth pillar. It is showing steady, though modest, growth. Speaking at a seminar in New Delhi just before the arrival of the Vietnamese PM, Anil Wadhwa, secretary in MEA, stated that in future the main focus was likely to be "on three key areas - connectivity, economic engagement and youth;" so that greater vigour could be imparted to bilateral relations.

#### Parting Thoughts

India-Vietnam relations have thus been blossoming due to a variety of factors. To some extent, China's assertiveness may have accelerated the process. Bilateral cooperation is for mutual benefit. Their defence cooperation is 'defensive' in nature. Their energy cooperation is guided by the long-term considerations of commerce and energy security, without direct connotations for territorial disputes in the South China Sea. The positive trends in bilateral relations stem from the shared desire of India and Vietnam to promote a balanced and peaceful East Asia. Relations are on an upward trajectory. Both sides should stay the course.

*The author is director-general of ICWA. The views are personal.*