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**“India-Vietnam Relations: From Foundation to  
Superstructure”**

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## Abstract

A decade is a long time in the modern-day calculus of international relations. In today's deeply interconnected world where every country has the opportunity to assess and act to further its national interest, the international relations canvas is characterized by a significant number of strategic partnerships among nations. The then cold war made choice somewhat easier: a country could be with someone or against someone or on one's own. The end of the cold war and the subsequent consolidation of high technology communications, new market opportunities, ease of physical communication made these choices wider and gave many nations the opportunity to choose a new framework for enhancing bilateral cooperation. One among these is the phrase "strategic partnership" that specifically stops short of the alliance that dominated the cold war.

India and Vietnam who established diplomatic relations in 1972 are commemorating the 45<sup>th</sup> anniversary of these relations in 2017 that coincidentally happens to be the 10<sup>th</sup> anniversary of the establishment of the Strategic Partnership between the countries. Less than a year back, in September 2016, India and Vietnam elevated the strategic partnership to a Comprehensive Strategic Partnership. This has been an interesting journey over the last five decades and is characterized by the sheer variety of sectors in which the two countries have worked together.

These have ranged from agriculture to technical cooperation through trade, investment, infrastructure science and technology, defence, education training, culture and many other sectors. The important contribution of the two leaders President Ho Chi Minh and Prime Minister Jawaharlal Nehru, has not only been an inspiring one but one which gave a direction for the coming generations. Over the last four decades, the two countries have cooperated well in all sectors that have a bearing on socio economic development and in modern sectors too, like information technology, entrepreneurship, education and in the area of defence cooperation.

Today, when both countries have a significantly improved socio-economic indicators, as compared to the time four decades ago, new avenues for catalyzing closer cooperation present themselves. These include, a greater focus on trade issues that are slowing down both the range and depth in this sector, by the establishment of a task force; a newer approach to derive advantage from the agriculture sector where both countries enjoy very high levels of expertise; a special focus on the food-processing sector which offers immense possibilities in the light of investment possibilities; enhanced levels of cooperation in the energy sector both in the renewable and non-renewable areas; newer initiatives to boost both the aviation and tourism sectors; the higher education sector by establishing closer cooperation between institutions both for research and pedagogy; and, last but not least, a focused push on the health sector both from the points of view of medical research, health care delivery and pharmaceuticals manufacture.

The above cooperation can of course take place only when the environment for growth in bilateral relations is conducive. The space required to grow has to be supplemented by a peaceful neighbourhood. The Comprehensive Strategic Partnership offers a variety of choices. How this is enmeshed in the long-term story of the growth of bilateral relations in a secure environment is the task for the present generation of leaders, who need to set a framework just as President Ho Chi Minh and Prime Minister Nehru did, more than sixty years ago.

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India and Vietnam present an interesting instance of mutually rewarding cooperation between developing nations in the post war world. This is especially true of the cold-war period that characterized the last five decades of the 20<sup>th</sup> Century. It was an opportunity for both countries to define new models of cooperation among nations that had thrown off the colonial yoke and were trying to build a new nation reflecting their national character.

History is replete with illustrations of maritime contact between India and Vietnam going back quite a few centuries. Some scholars date these exchanges to the early 8<sup>th</sup> century AD, that continued through time in various forms mainly embellished by trade and culture.

In the modern era, however, it is the momentous meeting between the two great leaders of India and Vietnam in 1954 in Hanoi, soon after the city's liberation that marks the starting point in bilateral relations. President Ho Chi Minh and Prime Minister Nehru laid the foundation that helped bilateral relations grow and diversify in numerous sectors. Though that event took place more than six decades back, the lead-up to the meeting and the whiff of expectations of a glorious future for the two nations in the newly decolonizing world, formed a solid foundation for the establishment of close and mutually beneficial relations between India and Vietnam. When we look back today, both countries can be proud to have traversed the path of friendship in a way that could well be a model for current use, and certainly for historical analysis by academics and enthusiasts of modern history.

Both India and Vietnam, for the better part of the two centuries before the 21<sup>st</sup> were victims of colonialism, which gave a common platform for the two countries, to look for avenues of cooperation in a variety of fields. However, there was a predisposition towards economic and technical cooperation wherever feasible, to reinforce the political cooperation, that started in the fifties. Unfortunately, the Vietnam War intervened making the former cooperation somewhat difficult to implement on the ground. However, after the emphatic victory of Vietnam in 1975, the partnership emerged into a wonderful plane that has continued to grow and strengthen reflecting the contemporary reality.

Looking back, it is easy to discern some distinct phases in the evolution of our partnership. The first phase can be ranged from before Vietnam's independence till the end of the Vietnam War, when the basis of cooperation was mainly political and partly economic in the bilateral and in the multilateral framework. The second from the end of the Vietnam War till the end of the last century. The consolidation achieved in these phases, helped identification of new areas, for the 21<sup>st</sup> Century. In the

third phase, trade, investment, training and technical cooperation including in Defence, have influenced the discourse.

As India and Vietnam navigate an increasingly interconnected, yet intensely competitive world, what type of cooperation or partnership can we envisage for the future? Explaining the past is a better guide to the future than simply extrapolating it.

The period from 1975 (after the end of the Vietnam War) till 1995 (the year Vietnam became a member of the ASEAN) was momentous for both nations. This period saw focused bilateral efforts resulting in the extension of food credits and technical cooperation through setting up of projects and dispatch of experts. For instance, the Cuu Long Delta Rice Research Institute (CLRRI) was established in 1977 with assistance from the Government of India in the southernmost province of Vietnam. Despatch of Indian experts and training of Vietnamese scientists over a decade, yielded positive outcomes. Vietnam, which had to import 450,000 tons of rice in 1988, started exporting the commodity in 1991 and in 2003 became the world's second biggest rice exporter after Thailand. Simultaneously, Vietnam's greatest achievement has been in the reduction of the poverty rate from nearly 60% in the early 90's to around 20% in 2010 as per the standards estimated in the same year. In the international arena, India was among the few countries which stood by Vietnam through the period of isolation imposed on it after the end of the Vietnam War. This support became crucial especially in the time when it faced the aftermath of its involvement in Cambodia in December 1978 and during the February 1979 Chinese incursion into Vietnam.

The signing of the Strategic Declaration between India and Vietnam in July 2007 was the outcome of a genuine desire on the part of both countries to elevate their cooperation to a new level, in the long term. The main driver in this was the high level of trust that had stemmed from successful cooperation in the last two decades of the 20<sup>th</sup> and the first decade of the 21<sup>st</sup> century; the consistently high rates of economic growth in both countries; a realization that both sides had a lot to share in terms of developmental experience; and, most importantly, new avenues in education, training and entrepreneurship were emerging to benefit the younger generation in both countries. The two countries stood ready to derive socio-economic benefits from their respective demographic bulges. Understandably, the security / defence – oriented content provided the base for strategic cooperation, as the respective national economic gains had to be enlarged, secured and consolidated.

Since the signing of the “Strategic Declaration” in July 2007, there has been a steady exchange of high level visits leading to a revitalization of bilateral relations in all areas. In the past decade, India and Vietnam have exchanged frequent visits, at the Head of

State, and at the Head of Government levels. These have been supplemented by those of senior Cabinet Ministers dealing with Foreign, Finance, Home and Defence Ministries. Briefly: the exchange of views at the highest level has not only been frequent but also in-depth, leading to many important steps being taken to build qualitatively superior relations for the new millennium.<sup>1</sup> The emergence of the strategic partnership framework and the frequency of the exchange of high level visits is but a clear indication of the desire from both sides to give a vibrant bilateral content for the new millennium. It also indicates the desire of both sides to enhance the level of substantive interaction to cover as many areas as possible.

In the India – Vietnam “strategic partnership” there are three basic elements that stand out: the economic content (technical cooperation, projects implemented through aid and credit); people to people cooperation (with special emphasis on human resource development including training, setting up of institutions and not forgetting “soft power” in all aspects) and, cooperation in the long term through infrastructure development in many sectors. The last includes areas like energy, defence and transport infrastructure.

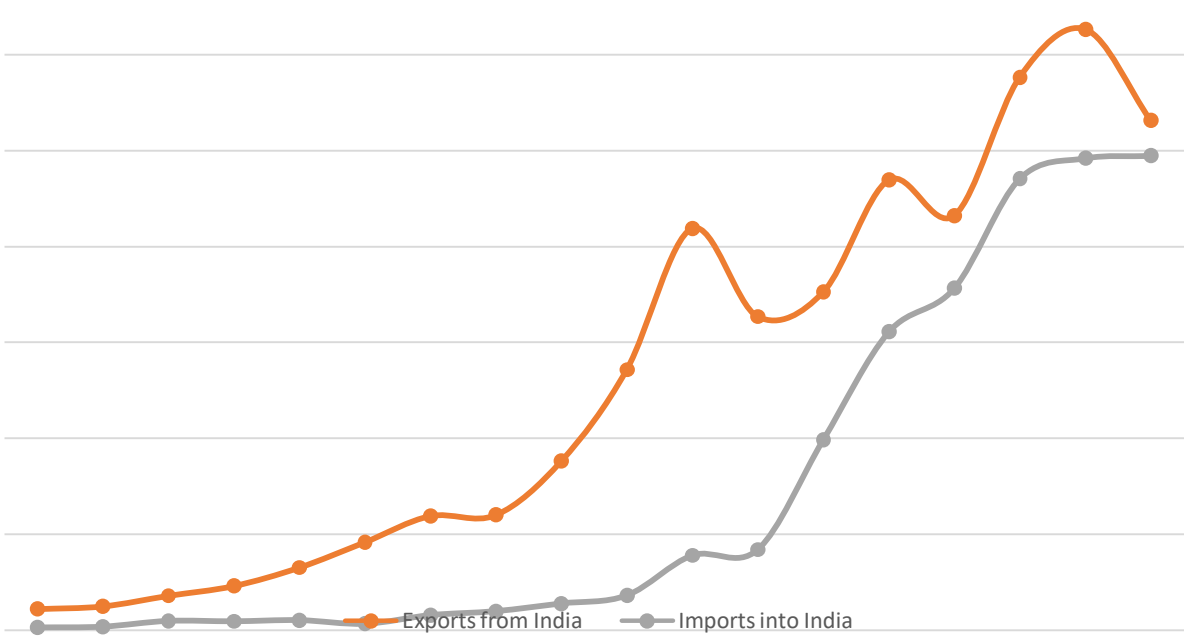
#### **ECONOMIC AND COMMERCIAL RELATIONS**

India's relations with Vietnam have always been characterized by growing economic and commercial engagement. India is now among the top ten trading partners of Vietnam. During the visit of General Secretary Nguyen Phu Trong to India in October 2013, the two sides agreed to set the target of bilateral trade at USD 15 billion by 2020. In subsequent developments, five key sectors have been identified as the thrust areas. These include garments and textiles, pharmaceuticals, agro-commodities, leather & footwear and engineering.

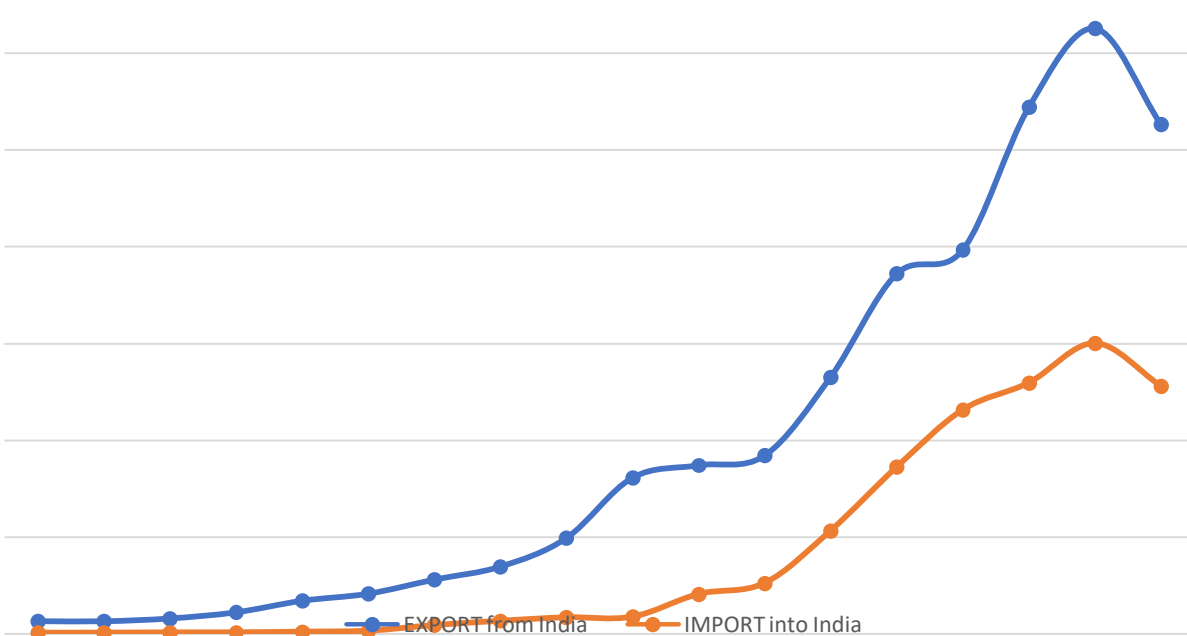
However, to enhance cooperation in these areas, the basic framework that has been guiding relations in these areas needs to be re-assessed. For instance, to achieve the mutually agreed target for bilateral trade of USD 15 billion by 2020, there has to be agreement about the prevailing figures that define the quantum of trade between the two countries. The table and the graphs that follow convey the divergent situation clearly and this is an issue that has to be taken into account while taking appropriate measures to enhance bilateral trade. Intensive discussions are necessary to understand the issues involved.

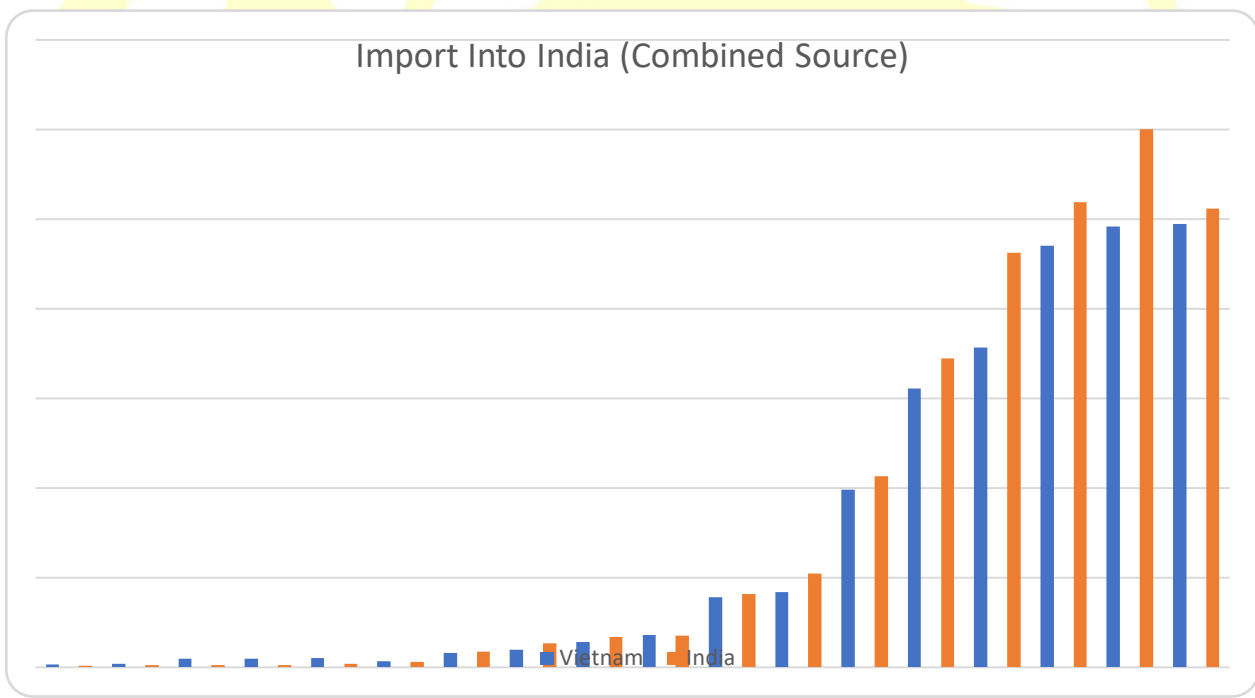
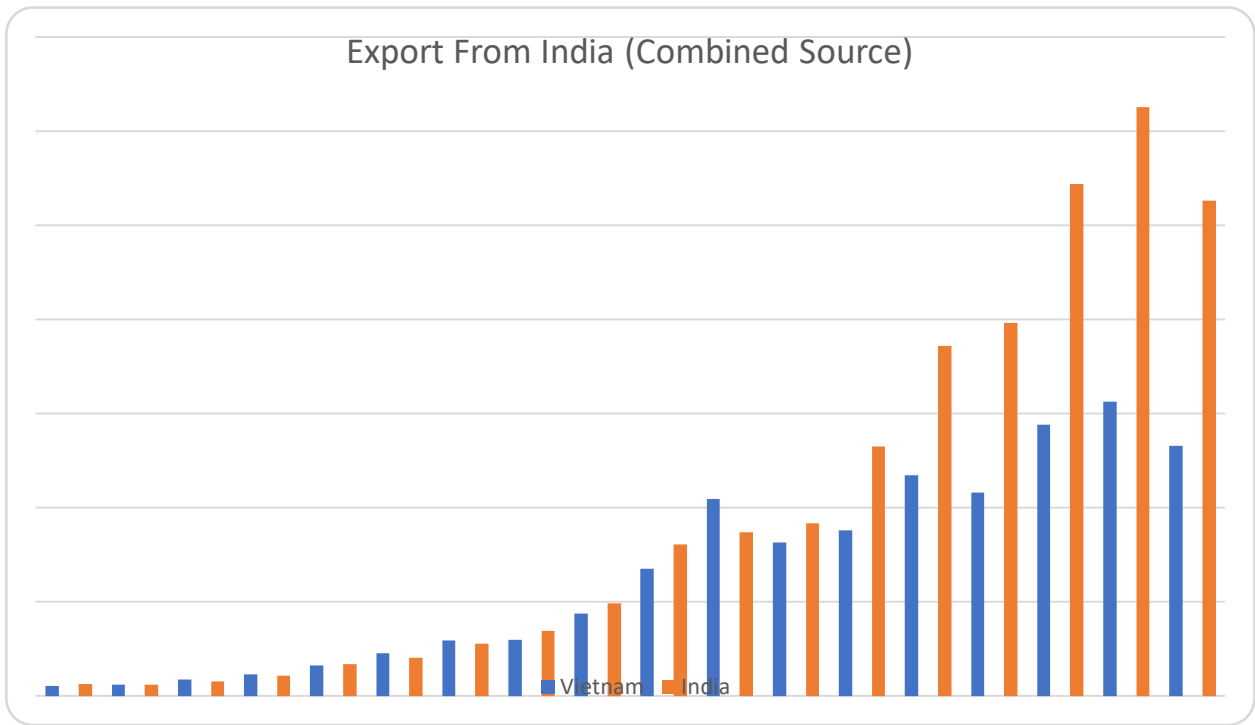
Year	Vietnam (\$Million)	India (\$Million)
1998	13	0
1997-1998	0	8.73
1999	17	0
1998-1999	0	9.14
2000	47	0
1999-2000	0	11.52
2001	45	0
2000-2001	0	12.39
2002	51	0
2002-2003	0	18.91
2003	32	0
2003-2004	0	29.18
2004	77	0
2004-2005	0	86.5
2005	98	0
2005-2006	0	131.39
2006	138	0
2006-2007	0	167.38
2007	180	0
2007-2008	0	173.68
2008	389	0
2008-2009	0	408.66
2009	419	0
2009-2010	0	521.81
2010	991	0
2010-2011	0	1064.9
2011	1554	0
2011-2012	0	1722.87
2012	1782.22	0
2012-2013	0	2314.78
2013	2353.94	0
2013-2014	0	2594.25
2014	2460.91	0
2014-2015	0	3003.35
2015	2473.58	0
2015-2016	0	2560.39

Export from and Import into India (Source: Vietnam)



Export from and Import into India (Source: India)





Note: The calendar year figures have been sourced from the Government Statistics Office of Vietnam while the financial year figures covering parts of two years have been sourced from the Trade Data put out by the Ministry of Commerce of the government of India.

Apart from enabling the data to be examined on a mutually agreed basis, these discussions would also enable an examination of commodities for inclusion as new items for trade; identify those items which can be processed in either country for value addition, for domestic consumption or for export further afield; focus on items whose



value of export / import vary greatly from year to year, thus giving both sides an idea on where to lay the emphasis to trade and where possible, investment diversification. India's exports of meat and edible meat offal, seafood, cotton, cattle feed ingredients, maize, oilseed compares well with Vietnam's exports of coffee, rubber, pepper, wood & wooden products etc. in their respective contexts of trade expansion and investment diversification.

Another area to be addressed is the state of primary services that smoothens the bilateral trade machinery. Some of the principal weaknesses are the lack of branches of both countries' banking facilities, absence of direct maritime and air links and the need for an effective mechanism for settlement of trade disputes. No Indian or Vietnamese bank has established its full-fledged operational presence in either country. All the commercial banking transactions are made through banking intermediaries from Singapore, Hong Kong, Indonesia, and sometimes even via the USA!

The Bank of India and the Indian Overseas Bank opened representative offices in Ho Chi Minh City in February 2003 and March 2008 respectively. However, their desire to have full-fledged operational branches in Vietnam is still awaited, even though the signing of MoU on banking supervision between Reserve Bank of India and the State Bank of Vietnam took place on 16th November 2012. A determined support for overcoming delays should be made to help bilateral trade to grow further.

### **Maritime Links**

The India Vietnam Maritime Shipping Agreement was signed in May 2013 and the first meeting of the Joint Maritime Liaison Committee was held on April 15, 2016 on the sidelines of the Maritime India Summit (MIS 2016) in Mumbai. During the meeting, both sides agreed that Shipping Corporation of India Limited and Vietnam Shipping Lines should hold talks to explore the possibility of opening direct Sea routes between the two countries and starting direct container ship operation. Deficiency in direct maritime links results in higher cost transportation as well as the cost imposed by the extra time needed for transporting goods. The Indian and Vietnamese governments need to focus on this aspect to take advantage of the healthy growth rates of their respective economies.

To ease the process for the settling of trade disputes both sides should establish a framework for mutual legal assistance to help the trading community on either side to deal with problems related to anti-dumping, and other cases dealing with fraud etc.

### **Direct Air Linka**

The Air Services Agreement between India and Vietnam was signed during the visit of General Secretary Nguyen Phu Trong to India in November 2013 and the Code Sharing Agreement was signed between Jet Airways and Vietnam Airlines during the visit of President Pranab Mukherjee to Vietnam in September 2014. The formal announcement was made during Vietnamese PM's visit to India in October 2014. Till date, however, Direct Air Connectivity between India and Vietnam has not been established. The question arises: *What needs to be done?*

For Indian carriers, a flight from Kolkata/Delhi/Mumbai/Bodh Gaya to Hanoi/Ho Chi Minh city appears feasible given the gradual increase in tourism traffic. For Vietnamese carriers especially Vietnam Airlines, a flight from Hanoi to New Delhi via Myanmar also appears feasible since Vietnam Airlines are faced with losses in maintaining direct flights from Hanoi to Yangon. There is no denying the fact that national flag carriers should fly between capitals to establish presence and connectivity. In the prevailing circumstances, the Indian government has an opportunity to use the intrinsic character of the "Act East Policy" to show how India can meet some of Vietnam's concerns in this regard by going more than half way.

Specifically, the flight from Hanoi to Yangon, which is currently a daily flight can be extended to Gaya on two or three days a week and similarly to Kolkata on other days of the week. With this, the pilgrims from Vietnam and Myanmar can reach Gaya without much of a hassle. Simultaneously the flights returning to Hanoi from Gaya / Kolkata can be used by tourists from India who wish to see the sights not only in Vietnam but also in neighbouring Laos and Cambodia. Since Vietnam Airlines operates flights to both neighbours, Indian tourists will have the opportunity to visit all the countries in the Indo-China region, many for tourism and many others for business too. Vietnam Airlines could be given some favourable terms for some of the financial obligations in Gaya and Kolkata as an incentive for two or three years to help stabilize operational requirements.

Given that the private sector is quite active in the tourism sector in all the countries concerned, the Mekong Ganga Cooperation platform can be used to get the tourism sector to work together. They in turn could work out a financially attractive package for all concerned, i.e., tourists going both ways. A fortnight long tourist package can be worked out for Indian tourists covering, Hanoi – Da Nang – Nha Trang – Ho Chi Minh City – Phnom Penh – Siem Reap – Vientiane – Luang Prabang – Hanoi. This is but an indicative itinerary and an appropriate one can be crafted with inputs from tourist operators. The potential for this sector is indeed very high. Similarly for tourists and pilgrims from Vietnam a package covering Buddhist sites in India, starting

with Gaya, can be offered to start with and later on expanding it to other historical sites in eastern, central and southern India.

### **Agriculture sector**

Both countries have a large working population involved in agriculture. In India nearly 60% of labour is directly or indirectly involved with agriculture. In Vietnam too, about the same i.e., 60 percent of the employed labor force is engaged in agriculture, forestry, and fishing. Thus the agriculture sector lends itself naturally for mutually beneficial cooperation.

Immediately after the re-unification of Vietnam, India supported Vietnam in establishing the Cuu Long Rice Research Institute (CLRRI) in Mekong delta under a line of credit (LOC) extended in Feb 1976. CLRRI contributed significantly in transforming Vietnam into the second largest rice exporter in the world today from a net importer of rice that it was in the late 1980s. A very large number of eminent scientists (more than 60 in number) at this institute have been trained in India under Indian Technical and Economic Cooperation programme (ITEC) and Cultural Exchange Programme. India has also supported Vietnam in training scientists at other agricultural research and training institutes including Post Harvest Technology Institute, Vietnam Water Resource University, Vietnam Agricultural University etc. Use of information technology and satellite based technology applications in agriculture, water resources and maritime management are now the areas where a new generation of scientists and technologists can be trained in the new century. Given current levels of expertise in India, the two countries could also think of using their respective efficiencies in the field of agriculture to contribute to respective food security. Further, preservation and maintenance of water bodies is an important area of expertise in Vietnam. Here too, bilateral cooperation can be focused upon to yield significant benefit to India.

As mentioned earlier, in the agriculture sector, agro-commodities and the output of food processing industries continue to be the key commodities in bilateral trade. Exports of three key broad areas of agricultural commodities from India, i.e. (i) Animal feed ingredient; (ii) food items of plant origin; and (iii) food items of animal origin have shown growth and promise amid significant fluctuations. These arise from violations of health regulations, low level of quality in some of the supplies, competition arising out of price and tariff levels in the background of entering into force of competing free trade agreements. Some instances are:

### **Animal feed ingredients**

After the signing of phyto-sanitary arrangements agreement for animal feed ingredients with Vietnam in 2012 there have been no cases of non-compliance.

However India's exports have continued to decline in recent years, owing to price fall, severe competition from the USA, Latin America etc. Seafood is yet another item that has shown severe quality related problems from time to time.

### **Indian Investments in agri sector**

Currently, many Indian companies have invested in Vietnam in the agricultural sector but their presence is not recognized since they are investing mainly through third countries. Till date, there are 29 Indian investment projects in agriculture with total invested capital of almost US\$300 million. Indian companies are investing in agro & food processing sector such as sugar, tea, coffee, rubber, spices etc. As these projects employ a large number from among the local workforce, these moves simultaneously assist in the expansion of Vietnam agriculture processing sector.

Overall, Vietnam continues to be an attractive investment destination for Indian companies. Till date, according to Vietnamese figures, India has 118 projects with total registered capital of US\$491.5 million, ranking 28 out of 110 countries and territories investing in Vietnam. During 2015, 23 fresh projects were proposed from India with total registered capital of US\$138.99 million. If investments of Indian companies from third countries are included, India has 132 major projects with total investment of US\$1.07 billion.

The two governments should try to constitute a task force to look at all the problems mentioned above in the context of the achievement of the target of US\$15 Billion in bilateral trade by 2020. It would require a coordinated effort both by the government and the private sector to tackle issues and also achieve a target that can really enhance the potential for exchange by both sides in various sectors.

**Lines of Credit:** India has offered several Lines of Credit to Vietnam over the years on concessional terms. So far, India has extended 17 LoCs worth more than US\$165 million to Vietnam. The LoC extended by India in 2013 for USD 19.5 million for execution of a Nam Trai-IV hydropower project and Binh Bo Pumping station. India has also extended two more lines of credits of US\$100 each for infrastructure and Defence procurement. During the visit of President of India to Vietnam in 2014, the LOC for Defence procurement of another US\$100 million was signed.

During the visit of PM Nguyen Tan Dung to India in 2014, an LOC of US\$300 million was announced to help Vietnam with its localization efforts and enable India's participation in Vietnam's value chain of the garment and textile sector, by establishing manufacturing hubs in Vietnam. This became particularly relevant after the Trans Pacific Partnership emerged as a possible game changer in international trade. With Vietnam as a major manufacturer of cotton garments and accessories, and

India as the investor in the same sector for production of cotton textiles in Vietnam, the combination would have benefited both countries. Even though the advantages of the TPP may appear to have receded for the time being, the sector offers a win-win situation for the two countries. With India's expertise in all areas from growing cotton to manufacture of textiles and that of Vietnam in being able to make garments at highly competitive rates, the field is open for intensive and mutually beneficial cooperation. If the line of credit requires a revised and more favourable terms to the Vietnamese side, India should extend a helping hand. This would only further strengthen bilateral ties in the textile sector – a strong point for both countries.

### **Healthcare and pharmaceuticals**

Export of medicines and medical ingredients make up an important and growing component of bilateral trade between India and Vietnam. In 2015, over US\$ 300 million worth of medicines and medical ingredients were exported from India to Vietnam (amounting to about 12% of Vietnam's total imports of US\$ 2.66 billion). According to Drug Administration of Vietnam, the number of companies and product registration from India is the highest among any countries present in Vietnam, accounting for 30% of registrations in Vietnam. This is an area of importance to both the countries. It offers an opportunity for a bilateral programme in the field of health care, medical research, medicine research, and extension of health at affordable rates to its citizens. Both countries have many years of experience in this area and thus possess a well-diversified data-base. From this vast amount of data, ideas for research, for new methods of therapy including use of traditional medicines in select areas, financing of health care and a variety of other initiatives can be formulated. The one area where Indian pharmaceutical companies should expand their efforts is in the area of quality control as many Indian companies frequently find themselves in the list of drug quality violators. Vietnam is a growing market that not only offers financial rewards in the short and medium term; it also offers the long-term benefit of joint research in a variety of areas. This is so especially in the context of comparable climatic conditions in the two countries and a strong living heritage in traditional systems of medical treatment.

### **Energy**

Cooperation in the field of energy between India and Vietnam goes back a little over three decades. In 1984, preliminary efforts were made through a study of possible gas reserves in the Red River Basin area in northern Vietnam. However, these efforts did not come to fruition and remained at the study and data analysis stage, since the approach to be adopted for the exploitation of the reserves varied between the two countries. In 1985 India commenced purchase of heavy crude from Vietnam in a small way. However, the quality of the output was such that it could be processed only in a couple of refineries in India.

In May 2006, ONGC Videsh Limited (OVL) signed the agreement with Petro-Vietnam for exploring offshore about 120 km from the port city of Nha Trang. However, the activities of the Indian firm were constantly receiving adverse attention from China that kept insisting that India was drilling in a disputed area. India held the view that we should proceed with the drilling as per the commercial contract and leave the territorial issue for the Vietnamese authorities to resolve. This was partly reiterated by the Prime Minister in a media interaction towards end 2011. The joint media release by India and Vietnam issued after the October 2011 visit of the President of Vietnam to India clarified: “Disputes like the East and South China Sea should be resolved by peaceful means in accordance with universally recognised principles including the 1982 UN Convention of the Law of the Sea and the 2002 ASEAN-China Declaration on the conduct of parties in the South China Sea”. India has been consistent in supporting the freedom of navigation and access to resources in South China Sea in accordance with the principles of international law, including the 1982 UN Convention on the Law of the Sea.

However, the middle of 2012 saw OVL reporting that it was not going ahead with the project any further owing to reasons of economic non-viability. Whatever the reason, the timing of this move was a clear desire on the part of India to step back and not muddy the waters in the South China Sea. This was probably an indication that India found it more rational not to over extend its capacity with regard to the problems seen off and on in the South China Sea. The extension of “core interest” of China to cover the South China Sea in 2011 had its fallout on India too.

In November 2013, Vietnam offered India five oil blocks and ONGC Videsh Ltd examined them in terms of their feasibility. In the middle of 2014, Vietnam renewed India’s lease of two oil blocks in South China Sea for another year. This had been under exploration since 2007 based on the agreement signed between ONGC Videsh and PetroVietnam in May 2006. While China was objecting to India’s oil exploration projects in the “disputed” waters, India and Vietnam were looking at enhancing cooperation in the energy sector. A Letter of Intent was signed between ONGC Videsh Ltd (OVL) and Vietnam Oil and Gas Group (PetroVietnam) during President Pranab Mukherjee’s visit to Vietnam in September 2014. The LoI is aimed at further consolidating cooperation between India and Vietnam in the sector as well as to pave the way for future collaboration.

Over the last few years, the perception in Vietnam has been that Chinese actions in the South China Sea have significantly eroded goodwill between the two countries. Whether it was the fishing boat incident leading to the killing of Vietnamese fishermen in 2016 (and earlier in 2014) or China’s refusal to accept the decision (delivered by the Permanent Court of Arbitration of the International Court of Justice

in June 2016) on China's "historic claim" over the waters; the assertive position adopted by China has been perceived as arrogance. This in turn is converting the South China Sea into an area witnessing frequent spikes in tension with potential for serious conflict.

Creating an atmosphere of peace requires investing in the future and taking the right steps to achieve that end. Any hark back to the past to rectify history is difficult: history can at best be relived and not rectified. The latter comes at a terrible cost. Each country has self-respect and pride in itself and accommodation alone will provide a chance for peace to succeed. Establishing trust requires convincing the partner about the benefits of the partnership, based on acknowledgement of mutual respect and honesty.

According to some estimates, a little over USD 5 trillion worth of international trade passes through the South China Sea. China's claims that the construction of facilities in some of the disputed islands is to increase safety in the area, and that other littoral states need not be concerned, is not very convincing. The other countries involved in the dispute feel otherwise. Both of them cannot be right.

The comprehensive strategic partnership between India and Vietnam is an instrument to ensure close bilateral relations with the possibility of extending mutual assistance so that the prevailing atmosphere of peace can be further strengthened, to help sustain respective plans of socio-economic development. Both India and Vietnam are neighbours of China and share some features in their traditions that realize the value of accommodation over assertion. To look back: China and Vietnam issued an eleven-point Joint Communiqué on November 10, 1991. Item 5 in that states that, "The two sides agreed to continue to take the necessary measures to maintain peace and tranquility along the border and encourage the border inhabitants to restore and develop traditional friendly exchanges so as to turn the Sino-Vietnamese border into a border of peace and friendship..." India and China signed an agreement in September 1993 to maintain peace and tranquility along their border in the context of their evolving relationship. On the one hand, the Vietnam agreement appears to be affected by tension on the maritime boundary, that with India appears clouded by the not infrequent tensions emerging at the land border, on the other. Thus, even a quarter century after the signing of agreements, the goal of peace and tranquility is still to be reached. This perhaps calls for greater focus on all sides with some degree of sincerity in ensuring that such incidents do not occur. To this end, India and Vietnam should intensify their bilateral cooperation in all those sectors that enhance the security of their respective domestic environments to ensure sustained economic development.

Vietnam is one of the countries with a special place in the list of India's foreign policy priorities, given its deep significance in India's strategic and economic interests. The high-level visits exchanged between 2014 and 2016 reflected this reality. The visit of PM Modi to Vietnam, first by an Indian PM since 2001, has marked the starting point for the beginning of a new era in the bilateral relationship. During his visit, Prime Minister Modi announced the extension of a new defence credit line of \$500 million and elevated the strategic partnership to the comprehensive strategic partnership, signifying India's clear commitment to assist Vietnam to build its defence capabilities. This deepening defence engagement between India and Vietnam is reflective of India's interest in contributing and thereby shaping the political security order in Asia-Pacific. The Comprehensive Strategic Partnership Agreement provides the framework for the same and now is the time for the two countries to activate the available levers for achieving the objectives.

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<sup>1</sup> *From the Vietnamese side, these include Nong Duc Manh, Secretary General of the Communist Party of Vietnam in 2005, Prime Minister Nguyen Tan Dung in 2007, Vice President Nguyen Thi Doan in 2009, Chairman, National Assembly of Vietnam Nguyen Phu Trong in 2010, President Truong Tan Sang in October 2011 and General Secretary of the Vietnam Communist Party of Vietnam Nguyen Phu Trong In Novemeber 2013, when as many as 8 agreements covering a variety of fields were signed. The second visit of Prime Minister Nguyen Tan Dung in November 2014 to India was indeed a major milestone in the evolution of the bilateral relationship.*

*From the Indian side, the high-level visits have included, Prime Minister Shri Atal Behari Vajpayee in 2001, Speaker of Lok Sabha, 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, President of India, Shri Pranab Mukherjee in September 2014 and Prime Minister Shri Narendra Modi in September 2016.*

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