

INDIA VIETNAM BILATERAL RELATIONS

VIETNAM - HISTORY



Vietnam is located in a region considered a cradle of mankind, one of the earliest agricultural centres practicing wet rice farming, where the stone and metallurgical revolutions took place. On the basis of socio-economic development in the time of the Đông Sơn culture and given the struggle with nature and against aggression, Văn Lang State, the first State in Vietnam was established in the 7th century B.C. Thanks to their hard work and creativeness, Văn Lang (and then Âu Lạc) residents created a civilization that influenced the entire Southeast Asian region. Together with the formation of the first State in Vietnam’s history was the evolution of a diverse economy and advanced culture known as the Red River civilization (or Dong Son civilization) symbolized by Đông Sơn bronze drum, a heritage reflecting the quintessence of the lifestyle, traditions and culture of the ancient Vietnamese.

In the cause of national building, the Vietnamese also had to cope with the foreign aggression. During 12 centuries from the resistance against the Qin dynasty in the 3rd century B.C until late 20th century, the Vietnamese had to endure hundreds of wars and uprisings against foreign aggression. The tactic, as stated in the Proclamation of Victory over the Wu “*Bình Ngô Đại Cáo*,”... *Relying on surprises, we placed our weak forces before much stronger ones; In skillful ambushes, our few troops destroyed large units,*” has become the rule of thumb for the wars to safeguard the Fatherland of the Vietnamese.¹

GEOGRAPHICAL PRESENCE

Lying on the eastern part of the Indochinese peninsula, Vietnam is a strip of land shaped like the letter “S”. China borders it to the north, Laos and Cambodia to the west, the Eastern Sea to the east and the Pacific Ocean to the east and south.



Mountains and hills cover two thirds of the mainland. Areas above 500m in altitude account for 70 percent of the mainland. The most grandiose and highest mountain ranges lie in the west and northwest of the country.

Việt Nam's territorial waters make around 1,000,000 km², with over 3,000 km long coastline lines. Việt Nam lies along the Indochinese Peninsula and circles the old southeastern part of the Asian continent with its back turned to the Eastern Sea (Pacific Ocean). These mountain and sea areas boast a diversity and richness in natural resources as well as minerals.

In the South West area of Central Vietnam, there is a huge "mountain-highland" at over 1,000m high, covered by basalt soil ideal for growing tropical and temperate industrial crops (rubber, tea, coffee and cacao).

Along the coastline, from the North to the South, Vietnam has lots of beautiful beaches, especially Hạ Long Bay with more than 3,000 islands, is listed by UNESCO as a World Natural Heritage site.

Jungles along the country are home to rare, precious animals and plants. In addition, there are some sub-climate regions in Vietnam including regions with temperate climate and unique sight-seeing, such as Sa Pa (Lao Cai Province), Da Lat (Lam Dong province) and plenty of lakes, streams, falls and extraordinary caves.

The mineral coal such as mines, bauxite and precious metal are mainly in the North and the Central; on the offshore and coastline we have lots of oil field and natural gas. In the rivers, lakes and territorial waters we have variety of fishes, shrimps and aqua products.²

BRIEF BIO - VIETNAM

Vietnam, with **Hanoi** as its capital has a population size of **95,261,021 (July 2016 est.)**. The **Vietnamese Dong** is the official currency and languages such as **Vietnamese (official), English (increasingly favored as a second language), some French, Chinese, and Khmer, mountain area languages (Mon-Khmer and Malayo-Polynesian)** are commonly spoken. On the economic front, main export partners include **US 21%, China 13.2%, Japan 8.4%, South Korea 5.4%, Germany 4.1% (2015)** whereas main import partners are **China 34%, South Korea 14.2%, Singapore 6.5%, Japan 6.4%, Hong Kong 5.1%, Thailand 4.5% (2015)**. A statistical look from the economic stand point follows³:



GDP INDICATORS	GDP: \$594.9 billion External Debt: \$78.88 billion
TRADE	Exports: \$169.2 billion Imports: \$161 billion
MISCELLANEOUS	Unemployment Rate: 3.7% Inflation Rate: 2.8%

**2016 (est)*

INTRODUCTION – INDIA & VIETNAM RELATIONS

India-Vietnam relations have been exceptionally friendly and cordial since their foundations were laid by founding fathers of the two countries - President Ho Chi Minh and President Rajendra Prasad and Prime Minister Nehru. 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 visited India in February 1958. President Rajendra Prasad then 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.⁴

INDIAN COMMUNITY IN VIETNAM

Estimated population of Indians living in Vietnam is 2500, 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. Bilateral trade between India and Vietnam has seen continuous growth over the past many years. India is now among the top ten trading partners of Vietnam.⁵

INTRODUCTION – INDIA & VIETNAM TRADE RELATIONS

India's relations with Vietnam are marked by growing economic and commercial engagement. India is now among the top ten trading partners of Vietnam. During former Prime Minister Nguyen Tan Dung's visit to India in October 2014, the two sides decided to make economic cooperation a strategic thrust in the India-Vietnam Strategic Partnership. This was once again reiterated by Prime Minister Modi and Prime Minister Nguyen Xuan Phuc in September 2016 during the former's visit to Vietnam. During the 2nd meeting of the Joint Sub-Committee, held on 20th January 2015, five key sectors were identified as thrust areas including garment and textile, pharmaceuticals, agro-commodities, leather & footwear and engineering. The 3rd meeting of the JCM was held in New Delhi on 15 March 2016.⁶

INVESTMENT RELATIONS

Indian investments in Vietnam have remained constant at around US\$ 1 billion but are expected to rise in the coming years. During 2016, according to figures from the Foreign Investment Agency of Vietnam, Indian companies registered 17 new projects with a total capital of US\$ 98.12 million in the areas of food processing, fertilizers, auto components, textile accessories etc. With these projects, India now has 131 major projects with total investments of about US\$707.95, ranking 25th among 110 countries and territories investing in Vietnam. The figure from Vietnam does not include Indian investment from third countries. Major sectors of investment are energy, mineral exploration, agro-processing, sugar manufacturing, agrochemicals, IT and auto components.⁷

TRADE OVERVIEW (USD BILLIONS)⁸

Details	2012-2013	2013-2014	2014-2015	2015-2016	2016-2017
EXPORT	3.97	5.44	6.26	5.27	6.81
%Growth		37.17	14.99	-15.85	29.42
IMPORT	2.31	2.59	3.00	2.56	3.32
%Growth		12.07	15.77	-14.75	29.69
TOTAL TRADE	6.28	8.04	9.26	7.87	10.14
%Growth		27.92	15.24	-15.49	29.51



A steady increase in exports and imports over the years has resulted in a record ten billion dollars bilateral trade for 2016-2017. The trade has remained significantly in favour of India with exports accounting for more than sixty percent of the total figure. This data clearly outlines the importance of Vietnam in ASEAN as well as a trade partner for India.

FREE TRADE AGREEMENTS

India and the ASEAN (Association of South East Asian Nations) comprising Brunei Darussalam, Cambodia, Indonesia, Lao PDR, Malaysia, Myanmar, Philippines, Singapore, Thailand and **Vietnam** signed the Trade in Goods Agreement under the broader framework of Comprehensive Economic Cooperation Agreement (CECA) between India and the ASEAN on 13 August, 2009.⁹

EDUCATIONAL LINKS

India offers a number of scholarships to students coming in from Vietnam through a number of programmes like Indian Technical and Economic Cooperation (ITEC) Programme, General Scholarship Scheme (GSS), Scholarships for studying Hindi language in Kendriya Hindi Sansthan, Agra (India), under the Scheme of Propagation of Hindi Abroad, Cultural Exchange Programme/ Education Exchange Program (CEP/EEP), Mekong Ganga Cooperation Scholarship Scheme (MGCSS) and "Diploma Programme on International Trade" at the prestigious Indian Institute of Foreign Trade for participants from Cambodia, Laos, Myanmar and Vietnam (CLMV countries). This helps India expand its ties with Vietnam not only on economic issues but also on cultural issues.¹⁰

KEY INITIATIVES BY CII

CII's institutional partner in Vietnam is the Vietnam Chamber of Commerce & Industry (VCCI) which has been a key partner in a number of initiatives. Some key interactions in the recent years are highlighted below: -

- H.E. Mr Cao Quoc Hung, Vice Minister of Industry and Trade, Ministry of Industry and Trade, The Socialist Republic of Vietnam along with four province Chairman & Vice-Chairman's led a fifty six member delegation to the 4th India CLMV Business Conclave in Jaipur, Rajasthan on 27th – 28th February 2017
- Dr. Naushad Forbes, President, Confederation of Indian Industry (CII) led a high profile CEOs delegation to Hanoi, Vietnam from 2-3 November 2016
- 3rd India-CLMV Business Conclave held from 12-13 January 2016 at Tamil Nadu, India
- H.E. Nguyen Cam Tu, Deputy Minister of Industry and Trade, Vietnam was a speaker at CII Partnership Summit held from 15-17 January 2015 in Jaipur. He was accompanied by 7 member business delegation



- CII organized a session in honour of H.E. Mr. Nguyen Thien Nhan, Politburo Member, and President of the Central Committee of Vietnam Fatherland Front accompanied by 35 delegation on 21st March 2015 in New Delhi
- Familiarisation visit from delegation of 10 Senior Journalists/Editors led by HE Mr Thuan Huu, Editor in Chief of Nhan Dan, the main Newspaper of the Communist Part of Vietnam at CII Central Office on 8th July 2015
- Interactive session with 20 member delegation headed by H E Mr. Nguyen Nam Viet, Party Secretary of Long An Province of Vietnam at CII Central Office on 4th September 2015
- CII organised the India-Vietnam Trade and Investment Forum on the occasion of the visit of H.E. Nguyen Tan Dung, Prime Minister of the Socialist Republic of Vietnam on 27th October 2014 in New Delhi
- CII organized an interactive session for an 11 member delegation led by H.E. Mr. Nguyen Dinh Xung, Vice Chairman People's Committee of Thanh Hoa Province and Member of Standing Committee of Thanh Hoa Provincial Party, Vietnam on 8th August 2014 in New Delhi
- India-Vietnam Trade and Investment Forum, a business meeting organized by CII in honor of H.E. Nguyen Tan Dung, Hon'ble Prime Minister of the Socialist Republic of Vietnam on 27th October 2014 in New Delhi
- H.E. Mr Do Thang Hai, Vice Minister, Ministry of Industry & Trade, Vietnam accompanied by 120-member official and business delegation participated at the 2nd India-CLMV Business Conclave organized from 11-12 December 2014, New Delhi

REFERENCES

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- ⁹ Department of Commerce, Ministry of Commerce, India
- ¹⁰ Embassy of India, Hanoi, Vietnam - Website