

## India-Vietnam Bilateral Relationship

### Why in news?

During the recent visit of the Vietnamese PM to India, both nations signed many agreements to deepen strategic partnership and enhance cooperation.

### What are the key highlights of Vietnam's PM's visit to India?

- They have signed nine agreements in the fields of customs, agriculture, legal, radio and television broadcast, culture and tourism.
- **Strategic partnership** - They signed the Plan of Action for the implementation of the Comprehensive Strategic Partnership for the period of **2024-2028**.
- **Strengthen bilateral dialogue** - It also includes the Joint Commission for Economic, Trade, Scientific and Technological Cooperation for mutual benefit.
- **G & B cooperation** - Both agreed to reinforce cooperation at the level of governments and businesses for increasing two-way trade, investment and technological partnership.
- **Removing trade barriers** - Both concurred that the ongoing review of the ASEAN-India Trade in Goods Agreement should generate a more user-friendly, simple and trade-facilitative regime for both countries.
- **Investments** - Both agreed to continue efforts to promote investment flows between the two countries.
- **Defence cooperation** - Both commended the effective implementation of the Joint Vision Statement on India-Viet Nam Defence Partnership towards 2030.
- An Army Software Park was established in Vietnam with the support of the Government of India.
- **National Maritime Heritage Complex**- Both have signed a MoU to develop the National Maritime Heritage Complex (NMHC) in Lothal, Gujarat to showcase historical ties through artifact exchanges, technological collaboration, and educational initiatives.
- It will feature a world-class lighthouse museum, the largest open aquatic gallery, and India's grandest naval museum, among others.
- **Economic Ties**- The leaders discussed enhancing bilateral trade, aiming to increase it from \$14.8 billion to \$20 billion.
- **Fintech** - Both encouraged the development of a framework to promote bilateral cooperation in financial innovation and digital payments.
- **Maritime Security**- They unveiled new initiatives, including a \$300 million credit line for Vietnam's maritime security.
- **Education** - The Centre of Excellence for Software Development and Training was established in Ho Chi Minh City, Vietnam, with Indian cooperation.
- **South China Sea**- The visit underscores both countries' commitment to strategic autonomy and multi-alignment amidst regional tensions, particularly concerning

China's influence in the South China Sea.

- **Strengthening ASEAN-India ties** - The leaders appreciated the *ASEAN-India Joint Statement on Cooperation* on the *ASEAN Outlook on the Indo-Pacific (AOIP)* for Peace, Stability, and Prosperity in the Region.

## What are the pillars of the India-Vietnam Relationship?



- **Political Relations-** India and Vietnam upgraded their relationship to a

Comprehensive Strategic Partnership in 2016 reflecting their strong political ties and mutual commitment.

- There have been regular high-level exchanges between the two countries.

*The 2024 visit of the Vietnam Prime Minister to India marks the first time a Vietnamese PM has travelled to India in a decade.*

- **Trade Relations-** India and Vietnam have seen significant growth in bilateral trade, reaching around USD 15 billion in recent years.
- India's exports to Vietnam amounted to USD 5.47 billion, and Vietnam's exports to India were USD 9.35 billion.
- **Bilateral investments—**India's investments in Vietnam include infrastructure, technology, industries, agriculture, innovation and startups, semi-conductors, renewable energy and electricity generation, biogas and polyester fabrics, among others.
- Vietnam's investments in India include agriculture, agro-processing, aquaculture, wood processing, bamboo and forestry products, hospitality and tourism, e-vehicles, healthcare and services in India.
- **Defence** - India and Vietnam have robust Defence ties.
- India has provided Vietnam with Defence equipment and training and both have conducted joint naval exercises 'VINBAX'.
- **Education and capacity building** - Bilateral development cooperation under the framework of Mekong-Ganga Cooperation through quick impact projects, ITEC training and educational scholarships.
- **Mutual support in the global arena** - Both collaborate in various international forums, including the United Nations and the World Trade Organization.
- Vietnam supports India's membership in UN Security Council.
- **Maritime security** - Both countries have a shared interest in maintaining freedom of navigation in the South China Sea, where Vietnam has ongoing territorial disputes with China.
- **ASEAN ties** - Both countries work closely within the framework of ASEAN to address regional challenges and enhance economic integration.
- India supports Vietnam's role in ASEAN and its contributions to regional stability.
- **Connectivity**—There has been an increase in direct flights between the two countries, which has expanded two-way travel and tourism flows.
- **Indian Diaspora** - The Indian community in Vietnam numbers around 8500, and the majority of them are based in and around Ho Chi Minh City (HCMC), with a couple of thousand living in and around Hanoi.

### **What is the significance of the India-Vietnam relationship?**

- Vietnam's location in Southeast Asia positions it as a crucial partner for India in balancing China's growing influence in the region.
- Vietnam is a rapidly growing economy, and India-Vietnam bilateral trade has reached 15 billion US dollars.
- The current geopolitical realities call for closer cooperation between New Delhi and

Hanoi.

- Their collaboration among institutions can *voice issues of interest to the Global South*.
- Greater student, faculty and research exchanges between universities, think tanks and other institutions of the two countries are in the line of
  - India's 'Viksit Bharat @ 2047' and
  - Viet Nam's vision to become a high-income developed country by 2045
- Indian PM has said Vietnam is an "*important partner*" in *India's Act East Policy and Indo-Pacific vision*.
- Enhanced defence cooperation based on mutual interest and priorities of the two countries will contribute to greater *stability in the wider Indo-Pacific region*.

## References

1. [PIB | India and Vietnam MoU](#)
2. [DDnews | India and Vietnam agreements](#)

