

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](#)

