



GROWING STRATEGIC COOPERATION BETWEEN INDIA AND VIETNAM

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(Views expressed in the brief are those of the author, and do not represent those of ISSI)



Reputed Vietnamese daily *Hanoi Times* reported on September 23, 2017 that two Indian Naval Ships INS SATPURA and INS KADMATT made a port call at Hai Phong City, Vietnam from September 23–27, 2017. During the visit, Indian Navy ships interacted with the Vietnam People’s Navy towards further enhancing co-operation between the two forces.¹

On the sidelines of the ships visit, a maritime industry business meeting was also held where large delegations from both the countries naval industries interacted and explored ways to enhance bilateral cooperation in maritime domain. India-Vietnam relations have seen enhanced upsurge in recent years which resulted in joint energy exploration in the contested South China Sea².

Vietnam is pushing for stronger ties with India. The two countries have carried out joint exploration for oil in the South China Sea since 2014 when the overseas subsidiary of India’s state-run firm ONGC and Petro Vietnam Exploration Production Corp. signed an agreement for exploring three oil blocks despite opposition from Beijing. That cooperation was extended in 2016, and again in 2017.³

¹ "Indian Naval ships to Vietnam", *Hanoi Times*, September 23, 2017. <http://hanoitimes.com.vn/news/defend-the-sovereignty/2017/09/81e0b7c4/indian-naval-ships-to-vietnam/>

² Rishi Iyengar, "Risking China's Ire, India Signs Defense and Oil Deals With Vietnam", *Times*, October 29, 2014. <http://time.com/3545383/risking-chinas-ire-india-signs-defense-and-oil-deals-with-vietnam/>

³ Ralph Jennings, "Vietnam Is Chasing India To Escape The Grip Of China", *Forbes*, July 10, 2017. <https://www.forbes.com/sites/ralphjennings/2017/07/10/vietnam-is-chasing-india-in-a-new-gambit-to-resist-china/#199a0e115f59>

Vietnam oil blocks can be seen in the figure below where Indian firms will be doing the exploration activity:



Source: Guru Mavin News website

According to the US Energy Information Agency (EIA), the South China Sea is thought to hold 11 billion barrels of oil and 190 trillion cubic feet of natural gas (Tcf) including both proven and possible reserves⁴. The EIA South China Sea report estimates Vietnam's reserves at 3.0 billion barrels of oil and 20 Tcf of natural gas.⁵

Vietnam has plans to expand offshore production in the South China Sea for meeting domestic demand and increase the state finances. For this purpose, the government awarded a large number of contracts to foreign firms, including that from India, and began investing in LNG regasification capacity.

Economic reason however, is not the sole explanation for Vietnam's outreach towards India. The strategic context is also significant, which is shoring up a regional response to China's rise and the efforts by the region's middle powers to increase their strategic cooperation and coordination as a leverage against China.

⁴ "South China Sea: An Overview", US Energy Information Administration.
https://www.eia.gov/beta/international/analysis_includes/regions_of_interest/South_China_Sea/south_china_sea.pdf

⁵ Ibid.

This is evident from cooperation in other sectors such as defense and diplomacy. In 2016, strategic partnership between India and Vietnam was upgraded to “comprehensive strategic cooperation”. As a result of this upgradation, both India and Vietnam have signed 12 pacts, including a \$500 million defense line for credit, to deepen bilateral cooperation across multiple sectors.⁶

Vietnamese Prime Minister during his visit to India in September 2016 said:

“The upgradation of [our] relationship to Comprehensive Strategic Partnership was an indicator of the importance Vietnam attaches to India...I am also happy to announce a new Defence Line of Credit for Vietnam of five hundred million dollars for facilitating deeper defence cooperation.”⁷

In August 2017, Vietnam announced its decision to procure a joint India-Russian made BrahMos cruise missile. According to the Vietnamese Foreign Ministry: “The procurement of defense equipment (BrahMos) by Vietnam is consistent with the policy of peace and self-defense and is the normal practice in national defence.”⁸

Vietnam is also deepening its maritime relations with India. There have been several port calls and deployments of Indian war ships to South China Sea in recent years despite Beijing’s opposition.⁹

These developments in Vietnam-India relations are in sync with the US “Rebalancing to Asia-Pacific” policy aimed at China where US is not only shifting sixty percent of its Navy to the region, but is also shoring up its regional allies in order to boost coordination and cooperation.

Quoting US Defense Secretary James Mattis in August 2017, the Pentagon said that, “The Secretary welcomed Vietnam’s engagement and growing leadership in the Asia-Pacific region.”¹⁰

Vietnam increasing courting of India into South East Asia and its regional territorial disputes with China serves as a two-way street for both states in terms of increasing their respective options and bargaining chips vis-a-vis China and general influence in the region as a whole. As a result of these

⁶ "India and Vietnam Upgrade to Comprehensive Strategic Partnership", *The Wire*, September 4, 2016. <https://thewire.in/63957/india-and-vietnam-upgrade-to-comprehensive-strategic-partnership/>

⁷ Ibid.

⁸ Harsh V. Pant, "The India-Vietnam Relationship: Beyond the BrahMos Connection", *The Diplomat*, August 22, 2017. <https://thediplomat.com/2017/08/the-india-vietnam-relationship-beyond-the-brahmos-connection/>

⁹ Dipanjan Roy Chaudhury, "China objects to presence of Indian ships in South China Sea", *Economic Times India*, May 21, 2016. http://economictimes.indiatimes.com/articleshow/52369749.cms?utm_source=contentofinterest&utm_medium=text&utm_campaign=cppst

¹⁰ Eric Beech, My Pham, "Vietnam wins U.S. defense pledges as tension with China grows", *Reuters*, August 9, 2017 <https://www.reuters.com/article/us-usa-vietnam-military/vietnam-wins-u-s-defense-pledges-as-tension-with-china-grows-idUSKBN1AP010>

overtures, India will get sympathetic ears and support for its diplomatic causes of which isolating Pakistan is an important imperative.

Deepening strategic partnership between Vietnam and India is an important indicator of an overall positive regional sentiment towards India, that will provide India with a conducive atmosphere and military to military cooperation which will enable the country to operate its forces out of the South Asian region.

On the other hand, however, Indian acceptance to play a regional role in South East Asia will stretch its current diplomatic, military and political resources mainly deployed in the South Asian region.

The principle challenge for Pakistan is to keep the focus of Indian navy divided between East and West of Indian Ocean so that it is not able to apply full strength of its naval forces against Pakistan. For this purpose, Pakistan has to upgrade the current levels of its military and diplomatic engagements with South East Asia region so that a small submarine force is present in the area ideally at any given time in a year.

Such overtures and other diplomatic outreach would also need to be independent of growing rivalry between US and China in South East Asia.