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Background Briefing:

Vietnam-US Relations: The Duterte Factor

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There are some interesting developments concerning the U.S.-Vietnam relationship: Dinh The Huynh, the Executive Secretary of Secretariat of the Central Committee of the Communist Party of Vietnam is in the United States for a working visit. Earlier this month, two U.S. Navy ships visited Cam Ranh. And recently, the U.S. Navy conducted its 4th Freedom of Navigation Operational Patrol (FONOP) near the Paracels, which was in a certain manner welcomed by Hanoi.

We request your assessment of the following issues:

Q1. Do you think that all these events have something to do with the shift to China announced by Philippine President Rodrigo Duterte ?

ANSWER: The Duterte factor, while important, is not the major driver behind these developments. It is important to note that Vietnam's President Tran Dai Quang invited President Duterte to Hanoi in late September to firm up their bilateral strategic partnership and to seek clarification of his foreign policy line. The two presidents agreed to continue to cooperate through existing bilateral mechanisms, draw up a six-year Plan of Action (2017-2022), extend an agreement on the sale of Vietnamese rice, and promote maritime and oceanic cooperation through their joint commission. The two leaders also committed themselves to ASEAN's basic policy on the South China Sea by endorsing freedom of navigation and overflight and unimpeded commerce and the resolution of disputes through "legal and diplomatic processes."

The main drivers of recent developments are Hanoi's concerns about the leadership transition in the United States and its likely impact on the Obama Administration's policy of military and economic rebalancing to Asia. Hanoi is also keen to learn about the prospects for Xi Jinping's consolidation of power.

Finally, Vietnam is concerned about the maintenance of maritime security and stability in the South China Sea. From Hanoi's perspective, economic issues and leadership transitions in the United States and China will affect maritime security in the South China Sea.

It is clear that Vietnam planned Dinh The Huynh's visits to Beijing and Washington to take place after the conclusion of the fourth plenary session of the Central Committee

of the Vietnam Communist Party (VCP) met from 9-15 October. The fourth plenum focused on party-building and economic prospects in coming years.

Huynh arrived in Beijing (19-20 October) on the eve of the sixth plenum of the Chinese Communist Party (CCP) that was held from 24-27 October. Huynh met with CCP General Secretary Xi Jinping and reviewed the overall state of bilateral relations, including the restoration of political trust and “properly handling” their disputes in the South China Sea. Huynh would have been keen to assess Xi’s grip on power in advance of next year’s nineteenth national party congress, reportedly scheduled for November, at which Xi is expected to be re-elected state president and party leader. Vietnam’s on-going anti-corruption drive parallels to a certain extent similar efforts by Xi.

In late 2017 Vietnam’s leaders will be approaching the halfway mark between the VCP’s five yearly national party congresses. As this date approaches it is unclear if incumbent party Secretary General Nguyen Phu Trong will continue in office for an unprecedented full third term or be replaced in mid-term. If Trong steps down, Huynh is a likely contender.

Q2. How do you assess the visit to the U.S. by Dinh The Huynh, one of the highest leaders of the Communist Party of Vietnam?

ANSWER: Dinh The Huynh visited Washington from 24-30 October and met with Secretary of State John Kerry at his invitation. Huynh’s visit comes on the eve of the 8th November national elections.

Although the Obama Administration is in its final months in office, Huynh was obviously concerned to get a reading on the prospects of the U.S. Congress passing the Trans Pacific Partnership (TPP) and, failing that, to secure a commitment from the United States that it would continue to implement if not step up its commitments under their bilateral comprehensive partnership. In particular, Huynh urged the U.S. to enhance economic, trade and investment ties, ratify the TPP as soon as possible and to recognize Vietnam as a market economy so tariffs on Vietnamese exports could be lowered.

Huynh’s visit to Washington was his first and was an important introduction to the U.S. political system. It also underscored U.S. willingness to recognize the central role of the Vietnam Communist Party in Vietnam’s political system. If Huynh does step up to become the next party leader this experience will serve him well.

Q3. In your last Background Brief, you wrote that Vietnam’s “diversification and multilateralization” of external relations will face some difficulties as the actions by the Philippines will undercut the U.S. commitment to Southeast Asia. Was one Dinh The Huynh’s tasks to seek reassurance from Washington that the U.S. pivot will continue?

ANSWER: Definitely, in Hanoi’s view a continuing U.S. military presence is vital to balance China in the South China Sea. Huynh and Kerry discussed this issue. Huynh repeated comments by Vietnam’s Deputy Minister of National Defense, Senior Lt. Gen. Nguyen Chi Vinh, that Vietnam welcomed the active role of the U.S. in contributing to peace and stability in the South China Sea.

Huynh also called for stronger defence and security ties including the implementation of the Joint Vision Statement that included defence trade and the possibility of co-production.

Prior to Huynh's visit to Washington, the U.S. and Vietnam held their seventh naval engagement activity in Da Nang (28 September-1 October), followed by the unprecedented visit of the USS *John S. McCain* and USS *Frank Cable* to Cam Ranh International Port immediately after. This was the first visit by a U.S. warship since the end of the Vietnam War. Vietnam and the U.S. later held their seventh Defence Policy Dialogue in Hanoi (17 October). While Huynh was in Washington, Admiral Harry Harris, the Commander of the U.S. Pacific Command, paid a visit to Hanoi on 26 October.

The port visit, however, needs to be put in context. Vietnam welcomes visits to Cam Ranh International Port – as distinct from the separate military port – by naval ships from all countries. After the port was opened in March warships from Singapore, Japan, India and France made visits. Russian ships have access to the military port. Nearly three weeks after the USS *John McCain* visit, Cam Ranh International Port hosted three Chinese naval ships from 22-26 October.

Q4. Was the latest FONOP by the U.S. Navy a signal to show that Washington is still committed to South China Sea issues?

ANSWER: Yes. The U.S. carefully plans its freedom of navigation operational patrols long in advance. It is significant that the fourth FNOP was conducted on 21 October in waters near the Paracel islands and not the more contested waters surrounding the Spratly islands. A U.S. FNOP in waters claimed by China and the Philippines might have served to raise tensions in a sensitive area and provoke Duterte into making further disparaging remarks about the United States.

A spokesperson for Vietnam's Ministry of Foreign Affairs responded to the U.S. FNOP on 24 October by noting, "Viet Nam respects other countries to exercise their rights in the East Sea as provided for by the UNCLOS, including the rights to freedom of navigation and overflight."

In sum, during October the U.S. demonstrated to Huynh that it would continue to maintain a naval presence in the South China Sea and Vietnam acknowledged that presence.

Q5. What could Vietnam offer in the present situation? And what should Vietnam do?

ANSWER: Vietnam has already developed a solid policy framework and strategy for its external relations. There is no need for Vietnam to alter this framework or approach. Essentially, Vietnam is seeking to enhance its twenty-five strategic and comprehensive partnerships with other states and bring political aspirations behind these partnerships into line with practical results.

Vietnam should continue to give high priority to promoting ASEAN's central role in regional affairs particularly as several founding members are focused on domestic issues and internal stability. Vietnam should continue to develop close ties with Singapore, especially as Singapore is ASEAN's country coordinator for relations with China.

Vietnam should try to promote a caucus of South China Sea littoral states – Brunei, Malaysia and the Philippines – to provide policy advice on the South China Sea to ASEAN ministers.

Vietnam should also continue to deepen its strategic partnerships with regional states. It is notable that after Vietnam's new leadership took office that President Quang visited Brunei and Singapore in August. Singapore's Foreign Minister just visited Hanoi. Vietnam's Defence Minister General Ngo Xuan Lich recently visited Malaysia and he and his counterpart agreed to enhance defence cooperation. There is a need for Vietnam to step up its relations with Indonesia and encourage Jakarta to play a more proactive role in regional affairs. Vietnam should pursue a strategic partnership with Brunei.

And Vietnam should continue to develop and enhance its relations with the major powers. This year Prime Minister Nguyen Xuan Phuc visited China, while Defence Minister Lich visited Russia. Vietnam hosted visits by India's prime minister and the president of France.

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