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## **Background Brief:**

# **Vietnam's Relations with Major Powers in 2020 and in 2021**

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We request your analysis of the following two issues:

Q1. What do you think about Vietnam's relationship with the major powers in the Asian region and globally in 2020?

ANSWER: In 2020, Vietnam's relations with the major powers may be divided into two categories. The first category comprises Vietnam's partnerships with China (comprehensive strategic cooperative partner) and the United States (comprehensive partner). These partnerships were characterized as generally cooperative but with major disputes, such as the South China Sea and trade and economic issues with the United States. In 2020, Vietnam endeavoured to engage and cooperate with China and the United States to prevent the broader relationship from becoming hostage to major disputes and irritants.

In 2020, the Vietnam and China Coast Guards conducted their nineteenth joint fishery patrol in the Gulf of Tonkin, while the Vietnam People's Navy and the People's Liberation Army Navy conducted their 28<sup>th</sup> joint patrol in the Gulf of Tonkin. The Vietnamese and Chinese foreign ministers held a video conference to mark the twentieth anniversary of their Land Border Treaty. The Vietnam-China Joint Steering Committee for Bilateral Relations held its twelfth meeting after a hiatus in 2019 due to the four-month standoff in the waters near Vanguard Bank.

In sum, Vietnam pursued a dual policy of continually engaging with China in areas where cooperation was possible, while resisting Chinese pressures that infringed on Vietnam's sovereignty and sovereign jurisdiction in the South China Sea.

In 2020, bilateral relations between Vietnam and the United States were continually bedevilled by economic issues arising Vietnam's growing trade surplus with the U.S. and what several United States agencies – Department of Commerce, Treasury, and the Office of the U.S. Trade Representative – viewed as inequitable economic policies of the Vietnamese government such as rerouting Chinese exports and currency manipulation. The U.S. imposed tariffs on Vietnamese car and truck tires, and revoked Vietnam's status as a less developing country, thus ending special preferences.

In 2020, Prime Minister Nguyen Xuan Phuc spoke directly about economic issues to the head of the U.S. International Development Finance Corporation who was visiting Hanoi. Prime Minister Phuc and President Donald Trump spoke twice by telephone. On 22 December, for example, Prime Minister Phuc told President Trump that

Vietnam pursued a monetary policy to control inflation and maintain macro-economic stability and not to gain an advantage in international trade. At the end of the phone conference Trump and Phuc agreed to instruct their relevant ministries and agencies to work together to resolve U.S. concerns.

Vietnam was consistent in resisting U.S. pressure to take sides against China, especially after Secretary Pompeo launched an international initiative to form an anti-Communist Party of China united front in mid-2020.

The second category of Vietnam relations with major powers comprises Vietnam's partnerships with India (comprehensive strategic partnership), Japan (extensive strategic partnership) and Russia (comprehensive strategic partner). These partnerships were generally dispute free and Vietnam sought to build on them.

In 2020, Prime Minister Phuc and Prime Minister Modi spoke by telephone in April and agreed on the guidelines for bilateral relations in 2020 and cooperation against COVID-19. In August, the 17<sup>th</sup> India-Vietnam Joint Commission on Economic, Commercial, Scientific, and Technological Cooperation held a virtual meeting co-chaired by Foreign Minister Pham Binh Minh and Minister of External Affairs Subrahmanyam Jaishankar. In December, prime ministers Phuc and Modi held a virtual summit to review and advance their comprehensive strategic partnership.

In 2020, Vietnam-Japan relations were characterised by three high-level visits. In January, Foreign Minister Motegi Toshimitsu visited Hanoi. In April, Minister of National Defence General Ngo Xuan Lich visited in Tokyo. Prime Minister Phuc held two phone conferences with his counterpart Prime Minister Shinzo Abe. Finally, in October, Yoshihide Suga, who replaced Abe as prime minister, made his first overseas visit to Vietnam where he announced an agreement on the export of defence equipment to Vietnam.

COVID-19 prevented Vietnam and Russia from holding face-to-face meetings. In 2020, Prime Minister Phuc held a telephone conversation with his counterpart Mikhail Mishustin in April focused how to facilitate trade and expand cooperation in joint energy projects. In June, Secretary General and President Nguyen Phu Trong spoke with President Putin on Russia Day. The two leaders discussed how to boost Russian trade and investment in Vietnam, with special emphasis on oil and gas, under the Vietnam-Eurasian Economic Union Free Trade Union.

Q2. What are the major challenges Vietnam's foreign relations will face in 2021?

ANSWER: Vietnam will face three major challenges in 2020 as the new leadership take office following the thirteenth national congress of the Vietnam Communist Party. The first challenge is how to manage relations with China to avoid a repetition of the cycle of confrontations over Vietnam's oil exploration in the waters near Vanguard Bank.

The second challenge is how to engage with the new Biden Administration to address a wide range of trade and economic irritants that emerged during the Trump Administration. There are two aspects of this challenge. The first is to get the Biden Administration to give some priority to Vietnam's concerns. The second is to obtain timely practical results at the working level to remove punitive tariffs and sanctions and restore Vietnam's status as a less developing country.

The third challenge is how to chart a path to economic recovery from the impact of the coronavirus pandemic. This involves acquiring sufficient vaccine for Vietnam's need, the restoration of supply chains in countries affected by COVID-19, and how to obtain the maximum benefit from the Comprehensive and Progressive Agreement of Trans Pacific Partnership, the Regional Comprehensive Economic Partnership and free trade agreements with the European Union and Eurasian Economic Free Trade Union.

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