

EVA STALIN IAS ACADEMY – BEST IAS COACHING IN CHENNAI

12/24, Muthurangan Muthali St, West Tambaram, Chennai - 600045

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EDITORIAL ANALYSIS → 21 JULY 2022 → THE HINDU:

INDIA VIETNAM RELATIONS:

- **Links between India and Vietnam across time:**
- The connection between India and Vietnam has been especially cordial and warm since the founding fathers of the two countries, Presidents Ho Chi Minh, Rajendra Prasad, and Prime Minister Nehru.
- The core causes of the historically cordial and friendly relations are the national and historical struggles for freedom from foreign hegemony.
- Pandit Jawaharlal Nehru was one of the first Westerners to visit Vietnam after it defeated the French at Dien Bien Phu in 1954.
- President Ho Chi Minh visited India in February 1958, and President Rajendra Prasad travelled to Vietnam in 1959.
- India served as the chair of the International Commission for Supervision and Control (ICSC), which was established to implement the 1954 Geneva Accords and advance the peace process in Vietnam.
- India backed Vietnam's war for independence from France because it compared Vietnam's struggle with that of that nation against British oppression.
- India has opposed US participation in Vietnam since 1955, when Prime Minister Nehru emphasised that it would be a mistake for the US to become involved.
- Three years before Saigon fell in 1975 and one year before the US withdrew from Vietnam, India formally established diplomatic relations with North Vietnam on January 7, 1972.
- India supported Vietnam's unification, and the two countries share friendly relations.
- Vietnam is an essential ally in the South East Asian region. India and Vietnam collaborate closely in a variety of regional fora, including ASEAN, the East Asia Summit, the Mekong Ganga Cooperation, and the Asia Europe Meeting, in addition to the UN and WTO (ASEM).

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• **Economic and commercial links between Vietnam and India:**

- Vietnam received the title of "Most Favored Nation" from India in 1977.
- The Bilateral Investment Promotion and Protection Deal (BIPPA), which was signed on March 8, 1997, followed the signing of a bilateral trade agreement between the two nations in 1978.
- A free trade agreement was signed in 2003, and the ASEAN-India Free Trade Agreement came into effect in 2010.
- Vietnam ranks fourth in ASEAN behind Singapore, Indonesia, and Malaysia and is India's fifteenth-largest commercial partner. The tenth-largest trading partner of India is Vietnam.
- There has been a significant increase in bilateral trade since the economies of Vietnam and India were both liberalised.
- Trade between India and Vietnam has declined by 22.47 percent over the previous fiscal years due to the COVID-19 epidemic.
- One of India's top exports is machinery and equipment, which is followed by seafood, pharmaceuticals, cotton of all kinds, textiles, and leather accessories. Other top exports include chemicals, plastic resins, chemical products, fibres of all kinds, steel of all kinds, fabrics of all kinds, common metals, jewellery, and precious stones.
- The main imports from Vietnam include mobile phones and their accessories, computers and electronic equipment, machinery and equipment, chemicals, rubber, common metals, wood and wooden products, fibres of all kinds, pepper, vehicles, steel products, coffee, footwear, chemical products, and polymers and resins.
- The bilateral foreign investments between the two countries have also grown.
- The main industries in which India has interests are energy, mineral exploration, agroprocessing, sugar, tea, coffee production, agrochemicals, information technology, and auto components.
- Vietnam had 6 ongoing projects with an anticipated total investment of \$28.55 million in India as of the year 2020.
- Vietnam has mostly invested in India in chemicals, pharmaceuticals, information technology, and building materials.

• **Oil exploration:**

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- The Indian government-controlled Oil and Natural Gas Corporation (ONGC) began conducting business in Vietnam in 1988.
- It was given exploring rights for Block 6.1.
- Block 6.1, which covers a 955 km² area in the Nam Con Son Basin of the South China Sea, is home to the producing fields Lan Tay and Lan Rosneft.
- Block 6.1 was home to 1.33 million tonnes of condensate and oil-equivalent gas production from ONGC Videsh, which owned a 45 percent share in the block.
- **Indian and Vietnamese Strategic Partnership:**
 - India and Vietnam have decided to intensify their strategic cooperation in line with India's Indo-Pacific Oceans Initiative (IPOI) and the ASEAN Outlook on the Indo-Pacific in order to foster shared security, prosperity, and growth for everyone in the region.
 - Vietnam and India are participants in the Mekong-Ganga Cooperation, which was designed to encourage and strengthen close ties between India and Southeast Asian nations.
 - India's application to join the Asia-Pacific Economic Cooperation and be a permanent member of the UN Security Council has received support from Vietnam (APEC).
 - In order to produce nuclear energy, enhance regional security, and fight terrorism, international crime, and drug trafficking, India and Vietnam have also formed strategic alliances.
- **Military cooperation:**
 - Defence collaboration has developed into a cornerstone of our strategic partnership with Vietnam.
 - India's Brahmos missiles, Dhruv advanced light helicopters, and Akash surface-to-air systems are of interest to Vietnam.
 - Along with this, other facets of defence relations include cooperation on defence research and development, capacity building, resolving common security challenges, and training of personnel.
 - The INS Kiltan of the Indian Navy visited Ho Chi Minh City in 2020 to provide flood relief supplies to the people of Central Vietnam (Mission Sagar III).
 - It participated in the PASSEX exercise alongside the Vietnam People's Navy.

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- **In recent years, India and Vietnam's relations have:**
- The "Joint Vision Statement on India-Vietnam Defence Partnership towards 2030" was signed by the defence ministers in order to strengthen bilateral defence cooperation.
- Vietnam's defence capabilities will greatly improve with the completion of the projects covered by a USD 500 million Defense Line of Credit, furthering the government's initiative to "Make in India, Make for the World."
- A Memorandum of Understanding (MoU) on Mutual Logistics Support has been signed.
- **Moving ahead:**
- Vietnam has a significant role to play in India's Act East policy, which aims to strengthen mutually beneficial ties and ensure equitable prosperity for all in the area.
- The SAGAR (Security and Growth all in the region) plan will eventually move closer ties with Vietnam toward its realisation.
- The partnership between India and Vietnam benefits the security and blue economy of the Indo-Pacific region.

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