

INDIA AND VIETNAM: FORGING A FORWARD-LOOKING STRATEGIC PARTNERSHIP

by

Rishi Gupta & Shruti Dey

Vietnamese Prime Minister Pham Minh Chinh was on a three-day visit to India from July 30 to August 1, 2024. It was after a decade that a prime ministerial-level visit from Vietnam to India took place. The visit marks a significant event in the bilateral ties, underscoring the increasing importance of both nations in the Indo-Pacific and ASEAN region and highlighting India's strategic focus on strengthening its maritime presence. Amidst China's growing footprint in the region, India is attempting to rejuvenate its traditional ties with like-minded countries, and Vietnam fits well into that construct.

Indian Prime Minister Narendra Modi's invitation to Prime Minister Chinh exhibits the "["deep-rooted and long-lasting friendship"](#)". It emphasizes Vietnam's importance in India's Look East Policy, which is to cultivate India's geopolitical, economic, and strategic ties with Southeast Asian countries. Considering India's Northeast region has greater people-to-people ties, cultural commonality, and border connectivity with Southeast Asian countries, Delhi finds it appealing to explore strategic partnerships amidst the growing China challenge on its eastern front.

The Look East Policy was later reframed as the Act East Policy under Prime Minister Modi's first term in office in 2014. The reframing added a strategic dimension to India's eastward engagement. With India's Act East Policy shaping its active eastward outlook, the current India-Vietnam bilateral dispensation was further secured by the [Joint Vision for Peace, Prosperity and People](#), jointly released by the two countries' leaders in 2020.

Addressing the Common Threat—China

For any bilateral, trilateral, or multilateral partnership in the region to be successful, the two pillars are

ASEAN centrality and a measured counter to China. For example, the Quadrilateral Security Dialogue (Quad) framework, led by the United States, India, Japan, and Australia, aligns with ASEAN centrality and China is placed as an active challenge.

This approach lets India and Vietnam reinforce their strategic ties. While ASEAN centrality is a crucial driver of regional initiatives, dialogues, and partnerships, counterbalancing China is critical for peace and stability in the region. Because for the members of the ASEAN, including Vietnam, directly confronting China is unlikely given Beijing's significant influence across nearly all fronts. However, subtle messaging through partnerships, such as those with India, allows these nations to convey their concerns more responsibly, making it a prudent approach.

Therefore, the centrality of the 'China threat' on all fronts makes the India-Vietnam partnership crucial. India faces an aggressive and expansionist China at the Line of Actual Control (LAC) high in the Himalayas. With the ongoing political instability in the subcontinent, including political chaos in Bangladesh following Prime Minister Sheikh Hasina's exit, India sees a potential for China to further its influence.

Vietnam also has ongoing disputes with China in the South China Sea (SCS), including territorial disputes concerning the Paracel and Spratly Islands. The India-Vietnam partnership reinforces an ideal balance for peace and stability in the region and addresses common threats.

Notably, China has strongly objected to Vietnam's energy exploration projects in the SCS and Delhi's joint energy exploration projects with Hanoi in the latter's Exclusive Economic Zone (EEZ). Beijing's objections are based on its contentious violation of sovereignty based on illegally claimed 'nine-dash line' in the SCS. However, India has continued to pursue its strategic interests and energy exploration projects with Vietnam in the SCS. In August 2023, India's Oil and Natural Gas Corporation Limited Videsh

(ONGC-Videsh) secured a [three-year extension](#) from Vietnamese authorities to explore ‘Block 128’—falling under the “nine-dash line”, which marks the vast area that China claims. Therefore, despite external threats from China, India and Vietnam have remained steadfast to continue their cooperation.

Affirmation to Regional Peace and Rules-based Order

More interestingly, the commitment to further solidify the India-Vietnam alliance in the face of mutual security challenges, primarily emanating from China, has become more frequent in their communications. For instance, in the [Joint Statement](#) released at the conclusion of Prime Minister Chinh’s India visit, the two countries called for “peace, stability, security and freedom of navigation and overflight in the South China Sea, while pursuing the peaceful resolution of disputes in accordance with international law, particularly the 1982 United Nations Convention on the Law of the Sea (UNCLOS), without resorting to threat or use of force,” invariably targets Beijing—known for calling UNCLOS bosh.

India and Vietnam also [agree](#) to an “early conclusion of a substantive and effective Code of Conduct in the South China Sea (COC) in accordance with international law, especially UNCLOS, that does not prejudice the legitimate rights and interests of all nations, including those not party to these negotiations”—something that China has resisted and failed to comply within the region. Indeed, China finds primacy in the bilateral engagements between India and Vietnam. This shared stance on the South China Sea further strengthens their cooperation in countering unilateral actions, reinforcing their commitment to a rules-based order and ensuring freedom of navigation in the region.

Besides, India has been championing the idea of a [Free and Open Indo-Pacific](#), along with initiating strategic forums like Security and Growth for All in the Region (SAGAR) and the Indo-Pacific Ocean Initiative (IPOI), at the [17th Meeting of the India-Vietnam Joint Commission](#) on trade, economic, scientific and technological cooperation virtually held in August 2020. The two countries agreed to

enhance cooperation along the sidelines of IPOI and ASEAN Outlook on the Indo-Pacific (AOIP). Given the context, New Delhi and Hanoi are working to preserve their strategic interests by emphasizing maritime cooperation.

The Outcomes

The visit was marked by the signing of several Memorandums of Understanding (MOUs) on customs capacity building, agriculture, research, education, legal and media cooperation, and digital payment connectivity.

The cultural and civilizational aspects of the bilateral relation got impetus from signing an MOU that aims to collaboratively develop the National Maritime Heritage Complex (NMHC) in Lothal, Gujarat. In addition, Prime Minister Modi announced a [US\\$300 million loan](#) to enhance Vietnam’s maritime security, underscoring Delhi’s commitment to bolstering Hanoi’s defense capabilities and contributing to regional stability amid rising geopolitical tensions.

A two-credit line agreement, each worth US\$120 million, was also exchanged between the Vietnamese Ministry of Finance and the Export-Import Bank of India, highlighting the deepening economic cooperation and strengthening the foundation for strategic collaboration between the two nations. India and Vietnam upgraded their relations from “Partnership” in 2003 to “Strategic Partnership” in 2007 and finally “Comprehensive Strategic Partnership” in 2016.

This progression reflects India-Vietnam ties’ growing depth and significance, underscoring their shared strategic interests and commitment to regional peace and security.

This partnership upgrade is visible through the 2022 [“Joint Vision Statement on India-Vietnam Defense Partnership towards 2030”](#) to enhance defense cooperation. The vision statement was signed during Indian Defense Minister Rajnath Singh’s Hanoi visit. It makes the existing defense cooperation more future-looking and will significantly strengthen the



“scope and scale” of the existing framework on the defense front. This strategic alignment also signals both nations’ commitment to ensuring stability and security in the Indo-Pacific region.

Forging an Active Defense Partnership

Following the Indian Defense Minister’s visit to Hanoi in 2022, Delhi gifted the indigenously built missile corvette INS Kirpan to Hanoi. It was India’s maiden [gesture](#) to gift an active warship to a friendly regional neighbor “to assist its like-minded partners in enhancing their capacity and capability, and is in consonance with the Government of India’s policies of Act East and Security and Growth for all in the Region (SAGAR).” Meanwhile, the defense cooperation between two traditional friends began with India training the Vietnamese defense personnel. Also, with India’s transfer of 5,000 items of naval spares for the Petaya class of ships to Vietnam in 2007 to the final handover of [12 High-Speed Guard Boats](#) in June 2022, defense cooperation has become the fundamental pillar of bilateral ties.

Pioneering the Future

The current India-Vietnam partnership is forward-looking and supported by strategic policy initiatives and proactive engagement. Economic cooperation remains a crucial driver. Bilateral trade between India and Vietnam reached [USD 14.82 billion](#) in 2023-24. In contrast, [China-Vietnam trade](#) significantly

outpaces this, totaling USD 171.9 billion in 2023, with China being Vietnam’s largest trading partner. If tensions between Beijing and Hanoi are resolved in the near future, Vietnam’s pursuit of deepening strategic ties with other partners, including India, might be deprioritized. This is where a growing trade relationship with India could be pivotal. While trade is essential for a stable partnership, cultivating like-minded alliances in the Indo-Pacific, such as the one with Vietnam, is increasingly relevant to India’s rising influence in the region amid the China challenge.

Rishi Gupta is the Assistant Director of the Asia Society Policy Institute (ASPI) in Delhi. He is a 2024 Taiwan Fellow and a Visiting Fellow at the Asian Institute of Diplomacy and International Affairs (AIDIA), Kathmandu. Before joining ASPI, he contributed to the Vivekananda International Foundation, the Centre for Air Power Studies in Delhi, and Pondicherry University. Dr Gupta earned his PhD from Jawaharlal Nehru University, MPhil from the University of Calcutta, and MA from Pondicherry University.

Shruti Dey is a Research Scholar from the Department of Politics and International Studies at Pondicherry University, India. Her primary research areas are Southeast Asia and Theories of International Relations.