



# India-Vietnam Enhance Comprehensive Strategic Partnership

**For Prelims:** [ASEAN](#), [Renewable energy](#), [Indo-Pacific region](#), [South China Sea](#), [Mekong Ganga Cooperation](#), [VINBAX-2023](#), [MILAN International Maritime Exercise](#)

**For Mains:** Comprehensive strategic partnership, Look East to Act East, Economic Diplomacy

**Source:** [BL](#)

## Why in News?

India and Vietnam have unveiled a new plan aimed at **bolstering their bilateral [‘comprehensive strategic partnership’](#)** over the next five years.

- This initiative was discussed during a bilateral meeting between the Indian Prime Minister and Vietnamese Prime Minister Pham Minh Chinh in New Delhi.
- The agreement signifies a deepening of ties between the two nations, with a focus on various sectors including trade, digital payments, and defence.

## What are the Key Highlights of the Bilateral Meeting?

- **New Plan of Action:** India and Vietnam agreed on a new plan of action for their **comprehensive strategic partnership** established in 2016, which will be implemented **over the next five years (2024-2028)**.
  - Objectives of the plan include strengthening **bilateral trade and economic cooperation**. Enhancing collaboration in technology and development, and fostering partnerships in defence and security.
- **Digital Payment Connectivity:** The PM of India announced that the central banks of both countries reached an agreement to establish **digital payment connectivity, enhancing financial transactions between the two nations**.
  - Like India, Vietnam is also embracing digital payments, including developing **cross-border payment connectivity** for retail transactions with other [ASEAN countries](#).
- **Credit Line Extension:** India will extend a **USD 300 million credit line** to Vietnam to support its military security and development projects.
  - The inauguration of an **Army Software Park in Nayachang, funded by an Indian grant**, and increased cooperation on terrorism and cyber security were highlighted.
- **MoUs Signed:** Six Memorandums of Understanding (MoUs) were signed, covering various areas including Agricultural Research, Customs capacity building, Law and justice, Radio & television, and Traditional medicines.
- **Trade and Economic Goals:** Vietnam proposed raising annual bilateral trade to USD 20 billion from the current USD 14.8 billion.
  - The two countries agreed to expedite the review of the [ASEAN-India Trade in Goods Agreement to enhance trade](#).

- Vietnam welcomed Indian investments in **IT, manufacturing, textiles, semiconductors, and renewable energy.**
- **Strategic Alignment:** Both countries committed to strengthening cooperation in the Indo-Pacific region, focusing on maintaining **freedom of navigation and overflight in the South China Sea.**
  - They emphasised the peaceful settlement of disputes based on international law, particularly the **United Nations Convention on the Law of the Sea (UNCLOS) of 1982.**
- **Economic Diplomacy Dialogue:** A new economic diplomacy dialogue will be established at the deputy foreign minister level to address trade and investment issues.

## Key Facts About Vietnam

- **Capital:** Hanoi, Official Language: Vietnamese.
- **Major Mountain Range:** Annam Cordillera.
- **Major Rivers: Mekong River (south) and Red River (north),** which form fertile deltas that support the majority of the population and agriculture.
- **Notable Wildlife:** Giant catfish, Indochinese tigers, Saola antelopes, and Sumatran rhinos.
  - **Deforestation has reduced forest cover to about 19%;** government replanting efforts are underway to restore woodlands.
- **Government Structure:** Socialist state governed by the **Communist Party of Vietnam;** a president serves as head of state, while a **prime minister runs the government.**
- **Economy:** Main exports include **crude oil, seafood, rice, shoes, wooden products, machinery, electronics, coffee, and clothing.**



## How has been the India-Vietnam Relations?

- **Historical Ties and Diplomatic Relations:** India and Vietnam enjoy a Comprehensive Strategic Partnership.
  - **Mahatma Gandhi and President Ho Chi Minh exchanged messages** during their

independence struggles.

- **India established diplomatic relations with Vietnam in 1972.** Relations were elevated to a Comprehensive Strategic Partnership in 2016.
- The development of India-Vietnam relations are currently guided by a "**Joint Vision for Peace, Prosperity and People**" adopted in 2020.
- In 2022, the two countries celebrated the **50th anniversary of the establishment of diplomatic relations** and both countries are working together actively to further strengthen their multi-dimensional cooperation.

▪ **Institutional Mechanisms:**

- The 18th **Joint Commission Meeting (JCM)** on Economic, Trade, Scientific, and Technological Cooperation was held on 16th October 2023 in Hanoi.
  - Previous JCM meetings, Foreign Office Consultations, and Strategic Dialogues at Secretary-level help review bilateral cooperation.

▪ **Trade, Economic, and Development Cooperation:**

- **Trade Statistics:** India-Vietnam trade from April 2023 to March 2024 was USD 14.82 billion.
  - **India's exports to Vietnam were USD 5.47 billion, and imports were USD 9.35 billion.**
  - **The ASEAN-India Trade in Goods Agreement** concluded in 2009 provides a **preferential trade regime between India and Vietnam** and that Agreement is currently under review.
- **Key Exports and Imports:**
  - **India exports engineering goods**, agricultural products, chemicals, pharmaceuticals, electronic goods, minerals, textiles, and plastics to Vietnam.
  - **Imports from Vietnam include computer and electronic goods**, mobile phones, machinery, steel, chemicals, footwear, garments, and wooden products.
- **Investments:** Indian investments in Vietnam are around **USD 2 billion, including energy**, mineral processing, agro-processing, IT, auto components, pharmaceuticals, hospitality, and infrastructure sectors.
  - Vietnam's investments in India are about USD 28.55 million, primarily in consumer goods, electronics, construction, IT, and pharmaceuticals.

▪ **Development Partnership:** Under the [Mekong-Ganga Cooperation framework](#), India has completed about **45 Quick Impact Projects in over 35 provinces of VietNam**, with another 10 projects at the implementation stage.

- **Mekong-Ganga Cooperation (MGC)** established in 2000, includes six member countries: **Cambodia, Lao PDR, Myanmar, Thailand, VietNam, and India.**
- The cooperation focuses on key sectors: **tourism, culture, education, information technology, telecommunications, and transport.**
- India has supported the conservation and restoration of the [UNESCO World Heritage site of 'My Son' in Quang Nam Province](#), Central Vietnam.
  - The [Archaeological Survey of India](#) completed the conservation and restoration of **A, H and K group of temples at the My Son complex site** in 2022.

▪ **Defence Cooperation:** India and Vietnam have a strong defence and security cooperation, with a 2009 MoU on Defence Cooperation and a **2015 Joint Vision on Defence Cooperation providing the framework.**

- In 2022, the two countries signed a new "**Joint Vision Statement on India-Vietnam Defence Partnership towards 2030**" and a "**Memorandum of Understanding on Mutual Logistics Support**".
- In 2023, Vietnam was **gifted an indigenously built missile corvette [INS Kirpan](#).**
- Bilateral military-to-military cooperation includes staff talks, exercises, training, visits, and exchanges.
  - **VINBAX-2023 Military Exercise.**
  - In February 2024, a Vietnamese navy ship participated in the [MILAN international maritime exercise](#) in India.

▪ **Cultural Exchanges:** MoUs between Indian and Vietnamese institutions promote academic and cultural exchanges.

- Conferences and summits like the **Northeast India Festival** in Ho Chi Minh City foster bilateral cultural ties.
- **Buddhist links between Vietnam and India** represent ancient civilisational

connections. Vietnamese Buddhist scholars and pilgrims regularly travel to India, including to the **Vietnamese Buddhist pagoda in Bodhgaya**.

- **Yoga is immensely popular across Vietnam**, with hundreds of yoga clubs and numerous Indian yoga teachers offering their services.
- The **Swami Vivekananda Indian Cultural Centre in Hanoi** promotes further understanding of India and fosters closer links between the two countries through various cultural programs and activities.

**Drishti Mains Question:**

Q. Discuss the significance of the Comprehensive Strategic Partnership established between India and Vietnam

**UPSC Civil Services Examination, Previous Year Question (PYQ)**

Q. In the Mekong-Ganga Cooperation, an initiative of six countries, which of the following is/are not a participant/ participants? (2015)

1. Bangladesh
2. Cambodia
3. China
4. Myanmar
5. Thailand

Select the correct answer using the code given below:

- (a) 1 only  
(b) 2, 3 and 4  
(c) 1 and 3  
(d) 1, 2 and 5

**Ans: (c)**

Q. Consider the following pairs: (2020)

	<b>River</b>	<b>Flows into</b>
1.	Mekong	Andaman Sea
2.	Thames	Irish Sea
3.	Volga	Caspian Sea
4.	Zambezi	Indian Ocean

Which of the pairs given above is/are correctly matched?

- (a) 1 and 2 only  
(b) 3 only  
(c) 3 and 4 only  
(d) 1, 2 and 4 only

**Ans: (c)**

