Geopolitical Situation: United States, China and Vietnam

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Outline of Presentation

1. Framework for Vietnam’s Foreign and National Security Policy
2. Vietnam-China Relations
3. Vietnam-United States Relations
4. U.S. – China Relations
5. Vietnam between China and the United States
6. The Future – Multipolarity or Multiplex Order
1. Framework for Vietnam’s Foreign and National Security Policy
Framework

- Diversification and multilateralization
  - 7th National Party Congress (1991)
- Vừa hợp tác, vừa đấu tranh
  - Cooperate and struggle
  - Resolution No. 8 (July 2003 revised 2013)
- Proactive and active international integration
- Independence, self-reliance, co-operation and development
16 Strategic and 12 Comprehensive Partnerships

South Korea, Spain, UK, Germany, Italy, Singapore, Thailand, Indonesia, France, Malaysia, Philippines, Australia

*comprehensive partner
Partnership Hierarchy

- Comprehensive Strategic Cooperative Partnership
- Comprehensive Strategic Partnership
- Strategic Partnership
- Comprehensive Partnership
Maritime Strategy Towards the Year 2020 (Chiến lược biển Việt Nam đến Năm 2020).

• Fully integrate the economic development of Vietnam’s coastal provinces and territorial sea with marine and hydrocarbon resources in Vietnam’s Exclusive Economic Zone (EEZ) and continental shelf.

• Economists estimate that by 2020 Vietnam’s maritime economy will contribute
  • 53-55% of GDP and
  • provide 55-60% of Vietnam’s exports
Three No’s Defence Policy

Thus, Vietnam consistently advocates neither joining any military alliances nor giving any other countries permission to have military bases or use its soil to carry out military activities against other countries.

• *Defence White Paper 2009*
2. Vietnam-China Relations
Vietnam-China Strategic Partnership 2008

- 2009 – Comprehensive Strategic Partnership
- 2013 – Comprehensive Strategic Cooperative Partnership
- Joint Steering Committee
- Joint patrols in Gulf of Tonkin
- Strategic Defence Dialogue
- Border Defence Friendship Exchange Program
Economic and Commercial Relations

Key Indicators

- Bilateral trade $106.71 bn 2018 up 12.71% year on year
- Vietnam’s imports from China rose 11.7% to $65.44
- Vietnam’s exports to China rose 16.6% to $41.27 billion
- FDI jumped 4.6 times to $1.56 bn (first half 2019)

Challenges

- Trade deficit of $24.17 bn 2018
- Market access in China
- Anti-China sentiment in Vietnam
- Aligning China’s Belt & Road Initiative/ASEAN connectivity
- East Sea (South China Sea)
- Asymmetric power relationship

China National Offshore Oil Company (CNOOC) issues oil blocks for international tender inside Vietnam’s Exclusive Economic Zone
Drilling in contested waters

Rosneft Vietnam BV, a unit of Russian state oil firm Rosneft, is concerned that its recent drilling in Vietnamese waters claimed by Beijing could upset China, two sources with direct knowledge of the situation told Reuters.

Key:
- China's nine-dash line
- 200 nautical mile arc drawn from Vietnam's coastline
- Vietnamese oil concession block

Tuesday

Rosneft said its Vietnamese unit had started drilling at the LD-3P well, part of the Land Do "Red Orchid" offshore gas field in Block 06:1.

Sources: PetroVietnam; Deloitte; Centre for International Law, National University of Singapore.

C. Inton, W. Foc, 17/05/2018
3. Vietnam-United States Relations

- 2015 Joint Vision Statement on Defense Relations
- 2017 Prime Minister Nguyen Xuan Phuc received by President Trump at The White House issues joint statement on Enhancing the Comprehensive Partnership
- 2017 President Trump attends APEC Summit
- 2019 President Trump pays official visit to Vietnam before second Trump-Kim Jong-un Summit; invites PM Nguyen Xuan Phuc to visit The White House
Economic and Commercial Relations

Key Indicators

• Bilateral trade reached $57.8 bn in third quarter 2019 or 31.26%
• Vietnam’s imports from U.S. rose to $8.06 billion or 13.37%
• Vietnam’s exports to U.S. rose to $49.02 billion or 34.75%
• Vietnam has $40.96 trade surplus with the U.S.

Challenges

• Non-market status
• Tariffs on shrimp, catfish, aluminum and steel
• Rising trade surplus
• Renegotiate Bilateral Trade Agreement
• Threat of more tariffs, currency manipulation
4. U.S. – China Relations

- Trade imbalance
- Market access
- State subsidies
- Intellectual property theft
- Commercial hacking
- Interdependence

How will U.S.-China tensions continue to evolve?
China: ‘Period of Strategic Opportunity’

- Regional focus
  - Taiwan main priority
  - 2nd island chain, East China Sea, South China Sea
- Belt and Road Initiative (BRI)
- Expanding global interests
  - Sea lines of communications and port access
- Chinese military planners have reached critical point of confidence they can match competitors in combat
United States: Free and Open Indo-Pacific

  • China and Russia as revisionist powers and strategic competitors
  • Networked alliances and strategic partners
• Free and Open Indo-Pacific
  • Freedom of navigation, free trade, finance to compete with BRI
  • Funding for whole-of-government pushback against China’s economic, security and political challenges
Trump’s Transactional Foreign Policy

Robert C. O’Brien
National Security Adviser

Mark T. Esper
A/Secretary of Defense

Mike Pompeo
Secretary of State
5. Vietnam between China and the United States
$24.17 billion deficit with China 2018

$40.96 billion surplus with the U.S. 2018

Viet Nam China – US Trade Relations
Vietnam’s trade with China and US in 2019 (US$b)

- Exports to US
- Imports from China
- Net exports to US
- Net exports to China

Source: General Statistics Office of Vietnam

SCMP
Will Vietnam be able to navigate through this conflict?

- Expand strategic partnerships
- Upgrade existing strategic partnerships
- Defence self-help
  - Force modernization
  - Defence cooperation
- ASEAN Chair 2020
- Non-permanent member of UN Security Council, January 2020-December 2021
- Maintain dialogues with China and the United States
- Cooperate & Struggle
- Comprehensive and Progressive Trans-Pacific Partnership
- Europe-Vietnam Free Trade Agreement
- Regional Comprehensive Economic Partnership
China Seeks Hegemony Over First and Second Island Chains
6. Post-World War 2 Global Order

- Balance of Power
- Major Powers
- International Law
- Force & Coercion
- Diplomacy
Emerging Multipolar or Multiplex* World Order(s)?

*Coined by Amitav Acharya
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