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Background Brief

Australia-Vietnam Strategic Partnership: Why Now?

March 8, 2018

We request background material on Australia's relations with Vietnam on the even of the visit to Canberra of the Vietnamese Prime Minister, Nguyen Xuan Phuc.

Q1. Why haven't Australia and Vietnam established a strategic partnership?

ANSWER: In 2008, Prime Minister Kevin Rudd turned down Vietnam's proposal for a strategic partnership because he didn't want to sign an agreement that was mainly symbolic and because he did not think bilateral relations had reached the degree of closeness that was required. Rudd appears to have put too much defence and security emphasis on the strategic aspect. Vietnam uses strategic partnerships to describe relations with countries that are broad based.

In 2009, when Julia Gillard was prime minister, bilateral relations with Vietnam were raised to a comprehensive partnership. In 2015, when Tony Abbott was prime minister, the two countries agreed to enhance the comprehensive partnership and work towards a strategic partnership.

Q2. You have argued that the current enhanced comprehensive partnership should be raised to a strategic partnership during the forthcoming visit by Prime Minister Nguyen Xuan Phuc. Why?

ANSWER: Since 2009, Australia's relations with Vietnam have grown in breadth and depth. Vietnam is now Australia's eighth largest trading partner, while Australia is Vietnam's fifteenth largest trade partner. Two-way merchandise trade now totals more than AUD \$10 billion. Vietnam is Australia's second largest live cattle and wheat market. Sales of metallurgical coal have shot up. The provision of educational services is Australia's largest export to Vietnam.

As a result of forty-five years of diplomatic relations, and eight years of a comprehensive partnership, both sides have developed a strong measure of strategic trust on most of the security challenges facing the region and the world. Vietnam is viewed as a constructive regional player, especially in ASEAN. Vietnam already has strategic partnerships with eleven countries including four of the five permanent members of the UN Security Council. In practical terms, it is in Australia's interest to reach a strategic partnership agreement with Vietnam because this gives our Prime Minister access to the top four leaders in Vietnam – the party Secretary General, the Prime Minister, the state President and the Chairman of the National Assembly.

It has taken Australia and Vietnam nearly two years to reach agreement on a strategic partnership. It was announced on the sidelines of the APEC leaders' meeting in Da Nang in November last year. The strategic partnership will be formalized on March 16th when Prime Minister Phuc makes an official visit to Canberra.

Q3. What can the Vietnamese community in Australia do to nurture relations between the two countries?

ANSWER: There are several Vietnamese communities in Australia. Those who are favourably inclined towards the Vietnamese government are already making a substantial contribution to bilateral relations in many areas including business, technology, education and culture. There is more scope for people-to-people linkages and interchange.

There are elements of the Vietnamese community in Australia who hold less favourable views towards the Vietnamese government. This community can contribute to bilateral relations by nurturing their cultural heritage in Australia's multicultural society. They can also use their language skills to inform the broader Australian community about developments in Vietnam. And more specifically, they can communicate their concerns, such as human rights, to their members of parliament and to the federal government. It is clear that the on-going repression of democracy activists and bloggers is an irritant in otherwise robust relationship.

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