



U.S. Secretary of State Mike Pompeo, left, meets with Vietnamese Deputy Prime Minister and Foreign Minister Pham Binh Minh, right, at the Ministry of Foreign Affairs in Hanoi, Vietnam, July 9, 2018 (AP photo by Andrew Harnik).

Will U.S.-Vietnam Ties Benefit From the Trump-Kim Summit in Hanoi?

The Editors | Friday, March 1, 2019

Hanoi's role as host of the second summit between U.S. President Donald Trump and North Korean leader Kim Jong Un put U.S.-Vietnam ties in the spotlight. Over the past decade, Hanoi and Washington have succeeded in putting the bitter memories of the Vietnam War behind them to forge a mutually beneficial relationship. But the jolt of Trump's withdrawal from the Trans-Pacific Partnership early in his term and several potential irritants could complicate efforts to develop even closer ties. In an email interview, Carlyle A. Thayer, emeritus professor at the University of New South Wales, Canberra, explains the impact of the TPP withdrawal on bilateral relations, the factors driving and impeding closer ties, and the potential obstacles moving forward.

World Politics Review: What drove the Vietnamese government's decision to join the Trans-Pacific Partnership, and how did it respond to the Trump administration's decision to withdraw from the deal?

Carlyle A. Thayer: One of Vietnam's major foreign policy goals, as expressed in the political report (<https://www.cpim.org/content/vietnam-12th-congress-report>) to the 12th National Congress of the Vietnam Communist Party, is to pursue "active, proactive international integration." Therefore, Vietnam was

very keen to become a member of the Trans-Pacific Partnership, or TPP, after the Obama administration threw its support behind this initiative in 2009. The United States is Vietnam's largest single-country export market, and joining the TPP would have resulted in a lowering of tariffs to 10 countries whose combined economies make up 40 percent of global GDP. Vietnamese leaders concluded that the benefits of access to this combined market outweighed the costs of opening their economy to greater foreign competition, allowing independent labor unions and protecting other nations' intellectual property rights as required by the terms of the TPP agreement.

Vietnamese leaders were unnerved during the 2016 U.S. presidential election campaign when Democratic Party candidate Hillary Clinton withdrew her support for the TPP, despite the fact that the agreement was already in the ratification phase. Hanoi was so concerned that it dispatched a member of the Vietnam Communist Party Politburo, the nation's top political decision-making body, to Washington at the very end of the Obama administration to lobby for the TPP.

Those efforts were to no avail, and in 2017, newly elected President Donald Trump followed through on his campaign promise to withdraw from the TPP. That was enough of a blow for Vietnam to delay consideration of ratifying the TPP while leaders privately debated the pros and cons of negotiating with Washington on a new bilateral trade agreement rather than joining the TPP without the U.S.

The remaining state parties set about revising the TPP without U.S. participation, a process that Vietnam closely followed and participated in. When it became clear that the new Comprehensive and Progressive Agreement for Trans-Pacific Partnership, or CPTPP, would include wording that would allow the U.S. to join at a later date, Vietnam's leaders gave it their full support, and ratified it in November 2018.

WPR: Who are the key political figures and constituencies in Vietnam advocating for and against a closer relationship with the U.S.?

Thayer: Vietnam pursues a multipolar balance in its relations with the major powers that are active in the region, even while retaining its autonomy as an independent actor that contributes constructively to regional and global security. Since 2001, Vietnam has negotiated strategic partnerships with Russia, Japan, India and China, and a comprehensive partnership with the U.S.

Hanoi's ties with the U.S. are best understood within this multipolar framework. Inevitably, bilateral relations with the U.S. are carefully scrutinized by the Politburo for their impact on Vietnam's relations with other regional powers. Nonetheless, there are domestic constituencies in the Ministry of Public Security, the Ministry of National Defense, the Communist Party and retired cadres from these organizations who are suspicious of American motives in promoting closer relations in the defense and

security sectors. These officials fear being drawn into the strategic rivalry between China and the U.S. Some of these officials also fear that close relations with Washington will lead to the undermining of one-party rule and its replacement by a pluralist multiparty system.

In October 2018, in an unpublicized and little-reported development on the eve of the ninth annual U.S.-Vietnam Defense Policy Dialogue, Vietnam unexpectedly canceled 15 defense engagement activities involving army, navy and air force exchanges scheduled for this year. The precise reasoning for this move is unclear, but it illustrates the sensitivities of Vietnam's domestic constituencies about closer U.S. defense ties.

On the other hand, there is nearly universal public support in Vietnam for closer relations with the U.S. across all sectors of society. Relevant government ministries overseeing foreign policy, economic planning, trade, education, energy, health, and science and technology all have initiatives promoting closer U.S. relations.

WPR: What is the significance of Vietnam having hosted the second Trump-Kim summit, and how might this contribute to the further deepening of U.S.-Vietnam ties?

Thayer: President Trump and Secretary of State Mike Pompeo hoped to entice Kim Jong Un to denuclearize the Korean Peninsula by pointing to Vietnam's economic success as an alternative path available to him if he does so. Separate from that, the Trump administration has identified Vietnam as a potential strategic partner, and Hanoi's role as a successful host for the second summit will reinforce the growing convergence of strategic interests between them. Nevertheless, both sides will have to work hard to resolve two major irritants.

First, the U.S. designates Vietnam as a nonmarket economy and has separately imposed tariffs on Vietnamese shrimp, catfish, aluminum and steel. Vietnam has responded by doggedly pursuing protracted negotiations with the U.S. to lift these tariffs, while also considering action at the World Trade Organization. Second, in 2017, Trump signed into law the Countering America's Adversaries Through Sanctions Act, known as CAATSA. This legislation imposes sanctions on countries that trade with designated Russian defense entities, a potential headache for Vietnam, which counts Russia as its biggest weapons supplier. CAATSA includes a provision for a waiver for countries that take steps to reduce their ties to designated Russian defense entities, but the waiver is not indefinite and is subject to regular reports on steps taken to comply. U.S. officials have reportedly urged Vietnam to reduce its dependency on Russia by buying American weapons, but this is easier said than done given the depth of Russian-Vietnamese defense ties. So far, however, the U.S. has taken no further action, whether to grant a waiver or impose sanctions.

