

Thayer Consultancy
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Background Brief:

South China Sea: U.S.-Vietnam Defence Cooperation and Possibility of China-Vietnam War

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We are working on a report that will cover U.S.-Vietnam relations vis-a-vis China's territorial claims to the South China Sea. We request your assessment of two issues below.

Q1. Kurt Campbell, the U.S. National Security Council Indo-Pacific coordinator, said on 19 November that Vietnam (and India) will define the future of Asia. Do you think there is scope for more military cooperation between Washington and Hanoi against China's assertiveness in the region?

ANSWER: There is certainly scope for an increase in military cooperation between the United States and Vietnam but it is very limited. Vietnam's most recent Defence White Paper published in late 2019 reiterated its long-standing policy known as the "three no's" by adding a fourth: "Viet Nam consistently advocates neither joining any military alliances, siding with one country against another, giving any other countries permission to set up military bases or use its territory to carry out military activities against other countries nor using force or threatening to use force in international relations."

Vietnam's Defence White Paper added a rider: "Depending on circumstances and specific conditions, Viet Nam will consider developing necessary, appropriate defence and military relations with other countries..."

This year Secretary of Defense Lloyd Austin and Vice President Kamala Harris paid separate visits to Vietnam. In their meetings with Vietnam's top leaders both suggested raising bilateral relations from a comprehensive partnership to a higher level strategic partnership. Vietnam's leaders were noncommittal.

Three other factors should be borne in mind. First, the Countering America's Adversaries Through Sanctions Act (CAATSA) holds the threat of sanctions against Vietnam if it does not reduce its dependence on designated Russian defence entities for the procurement of military weapons, equipment and technology. Approximately 85% of Vietnam's military procurements are sourced in Russia.

Second, Vietnam defence budget has been declining since 2018. U.S. weapons and systems are expensive. In addition, U.S. technology is not compatible with Vietnam's Russian legacy. Vietnam is in line to receive another Hamilton-class ex-U.S. Coast Guard Cutter and has paid for Scan Eagle unmanned aerial vehicles.

Third, there have been no major incidents in the South China Sea involving China and Vietnam since the standoff in waters near Vanguard Bank in 2019. In other words, “this is as good as it gets” in bilateral relations. Vietnam would be extremely reluctant to rile China.

In 2011, Vietnam and the United States signed a Memorandum of Understanding (MOU) on Advancing Bilateral Defense Cooperation that set out five priority areas for cooperation: maritime security, search and rescue, humanitarian assistance and disaster relief, exchanges between defense universities and research institutes, and UN peacekeeping operations. Basically, military cooperation has been in a holding pattern since then with no major advances in new forms of cooperation.

In 2015, the defence ministers of Vietnam and the United States adopted a Joint Vision Statement on Defence Cooperation that included a list of twelve areas of cooperation. The Joint Vision Statement basically codified cooperative activities that were already being undertaken under the framework of the 2011 MOU. However, the inclusion of defense trade and possible cooperation in co-production of defence technologies and equipment was a significant new development.

Q2. Vietnam is reportedly carrying out construction on three features in the disputed Spratly Islands. Do you believe Hanoi and Beijing would resort to armed force against each other in the near future to assert their territorial claims?

ANSWER: Commercial satellite imagery from October indicates Vietnam is undertaking minor construction activity of a non-military character on Namyt, Pearson and Sand Cay. Vietnam has also built bunkers and pill boxes on some of its features in the Spratly islands but it has not placed advanced weaponry on them. Several years ago it was reported that Vietnam has placed launchers for the Israeli Spyder system on at least one feature.

Armed conflict between China and Vietnam in the South China Sea is highly unlikely. In 2019, it was reported that China threatened force if Vietnam did not halt oil exploration by a foreign contracted vessel in waters near Vanguard Bank. Vietnam cancelled the contract and has not resumed oil exploration activities since.

In past years, 2014 and 2019 in particular, when there have been high profile confrontations, Vietnam has kept its naval ships well away from the areas on contention.

At the moment relations are quite “normal” and tension free. The Joint Steering Committee for Bilateral Cooperation, at deputy prime minister level, is the main mechanism to manage bilateral relations. The most recent meeting, the thirteenth, was held face-to-face in Hanoi between Deputy Prime Minister Pham Binh Minh and State Councillor Wang Yi on 10 September 2021. According to a Vietnamese media report:

The two-sides agreed to promote high-level visits, effectively implement cooperation between the two Parties, uphold the role of the two foreign ministries in coordinating and boosting bilateral relations; well implement mechanisms of exchange and cooperation in defence, security and law enforcement; and increase experience sharing in COVID-19 prevention and control, including cooperation in vaccines...

They agreed to resume commercial flights when conditions permit; continue taking measures to promote economic-trade cooperation, investment and development; soon complete

procedures to open the market for Vietnamese agriculture products; accelerate upgrading or opening new pairs of border gates; encourage Chinese enterprises to expand investment in Vietnam using advanced and environmentally friendly technologies; and actively coordinate in solving difficulties in a number of cooperation projects.

Vietnam and China will also beef up cooperation in science and technology, environment, transportation, agriculture, health care, culture, education, tourism, people-to-people exchange, and coordination at multilateral forums.

At the conclusion of the meeting the two leaders signed three documents: an agreement on Chinese refundable aid, a Memorandum of Understanding (MOU) on trade cooperation from 2021-2025, and a MOU on setting up a joint working group to facilitate bilateral trade. They also inaugurated a project on sediment studies in the Red River and Yangtze River basins.

Vietnam and China also conduct annual friendly border exchanges, and separate coordinated patrols by their navies and coast guards in the Gulf of Tonkin,.

In addition, any armed conflict in the South China Sea between Vietnam and China (or other parties for that matter) would raise insurance premiums and disrupt international commerce thus harming the interests of all parties concerned.

In sum, viewing China-Vietnam relations solely through the lense of their maritime disputes in the South China Sea can be both myopic and misleading.

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