## Thayer Consultancy ABN # 65 648 097 123



## **Background Brief:**

## Vietnam's Response to Chinese Encirclement September 1, 2022

We are writing about Vietnam's security concerns regarding China and what looks like encirclement. Would you be able to provide some comments to the following questions?

Q1. Vietnam looks increasingly encircled, with Chinese military installations to the east in the South China Sea; China itself to the north; and the threat of a Chinese military base in Cambodia, so to the south and west. What is the feeling in Vietnam about this potential encirclement and how has the government responded?

ANSWER: Vietnamese political and military leaders are well aware of China's military strength and growing technological prowess. They adopt a sanguine view of their strategic position; in other words China's so-called encirclement of Vietnam presents both opportunities and challenges. As the map of the South China Sea below indicates, while China occupies the Paracel Islands and has militarized seven features in the South China Sea, Vietnam occupies twenty-one rocks and reefs, hosting between 49 to 51 outposts, in the Spratlys.

In February 2021, the 13<sup>th</sup> National Congress of the Vietnam Communist Party approved a resolution to initiate Vietnam's most ambitious and far-reaching program to modernize its armed forces. It called for the creation of "compact and strong" Vietnam People's Army by 2025, the modernization of select "services, corps and forces" by 2030, and then the modernization of entire military thereafter.

Senior military officers writing in *Tap Chí Quốc Phòng Toàn Dân* (All People's National Defence Journal) after the 13<sup>th</sup> congress identified the following services, corps and forces that would be given priority as follows: Air-Defence Air Force, Navy, Coast Guard, Signal Force, Electronic Warfare Force, Technical Reconnaissance Force, Cyber Warfare Force and the Cipher (cryptology) Force.



Q2. What can Vietnam do to potentially break this encirclement? Does it mean more cooperation with counter-China countries like the US and Japan? Or is it something Vietnam knows it has to live with now?

ANSWER: China's so-called encirclement of Vietnam is incomplete. China has provided a loan and is assisting Cambodia in modernizing its naval base at Ream. But China has not yet established a formal military base nor deployed naval warships on a permanent basis.

Vietnam and Cambodia have a standing-agreement not to permit foreign military bases on their territory. For example, in December 2021, at the conclusion of the official visit by President Nguyen Xuan Phuc to Cambodia, the two leaders issued a joint statedment that declared: "The two sides agreed to strengthen cooperation in defence and security based on the principle of not allowing any hostile forces to use their respective territories to harm the other's security..."

Vietnam and Cambodia are currently implementing a multi-year protocol covering 2020-24 and a specific Cooperation Plan for 2022. On 23 May 2022, for example, General Tea Banh and General Phan Van Giang, defence ministers for Cambodia and Vietnam, respectively, held their first border defence friendship exchange in Hanoi.

While the disposition of Vietnam's modern military is defensive, the 13<sup>th</sup> congress resolution directed the Vietnam People's Armed Forces to "proactively prevent the risk of war and conflict from afar" through accurate forecasting and timely action.

Vietnam's military doctrine is tailored for different geographic areas such as the land border, islands in the South China Sea and the maritime domain. There are

unconfirmed reports Vietnam has place missile launchers on several of its features in the Spratly Islands.

A year after the 13<sup>th</sup> congress, Russian invaded the Ukraine. This conflict provides lessons to Vietnam how asymmetric force can be employed against a numerically larger force. Vietnam's national defence industry is already capable of producing advanced anti-ship and anti-air missiles. Vietnam's People's Navy includes six Project 636 *Varshavyanka* or advanced Kilo-class conventional submarines.

In 2019 Vietnam issued a Defence White Paper that declared: "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 our military activities against other countries nor using force or threatening to use in international relations." Collectively these are called the "four no's."

Vietnam's 2019 Defence White Paper went on to state, however, "depending on circumstances and specific conditions, Viet Nam will consider developing, necessary, appropriate defence and military relations with other countries..." Russia has been Vietnam's main supplier of military weapons and technology but procurements have fallen considerably from over US \$1.2 billion in 2016 to \$30 million 2021. Also, Vietnam has acquired military weapons and technology from India, Israel, South Korea and the United States. At the same time, it has worked closely with Japan's Self-Defence Air Force on air defence.

## Q3. What challenges will Vietnam face?

Vietnam will face two major challenges in meeting it military modernization goals Vietnam. First, to restore high-economic growth so it can finance arms procurements of "big ticket" items. Second, avoid sanctions by the United States if it decides to make major procurements from Russia.

The so-called encirclement thesis posits that China and Vietnam view each other as adversaries at best and enemies at worst, leaving Vietnam little option but to align with the United States. The situation is far more complex. China represents the greatest military challenge to Vietnam because of its material capabilities. But it is difficult to demonstrate that China has the intent to pressure Vietnam to subordinate itself to Beijing or attack Vietnam because of some existential provocation to China's core interests. Any armed conflict between China and Vietnam would have global implications and result in the disruption of trade via the South China Sea on which China is dependent.

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