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Background Brief:

COVID Vaccine Competition: Vietnam between China & Japan

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We are currently writing a report about Japan and China's vaccine diplomacy in the Indo-Pacific region. Japan has recently donated 1.2 million doses of vaccine to Taiwan and just yesterday announced another shipment of 1 million doses of vaccine to Viet Nam. At the same time, China's Foreign Minister Wang Yi recently pledged 100 million more doses of vaccine to Southeast Asia.

We request your assessment of the issue and how Vietnam's government should respond to the vaccine contest between Japan and China.

Q1. How important is the Southeast Asia region to China and Japan?

ANSWER: Southeast Asia is a vital region for China and Japan because they are both dependent on the international sea lanes that pass through the South China Sea carrying their trade. Both China and Japan are among the top trading partners and investors with the eleven Southeast Asian states. Ten states are grouped in the Association of Southeast Asian Nations (ASEAN), a regional multilateral institution that asserts its centrality in regional affairs. Both China and Japan have a national interest in maintaining good political and diplomatic relations with ASEAN.

China has an additional interest because it borders mainland Southeast Asia (Myanmar, Thailand, Laos and Vietnam). Japan, in turn, has an interest in preventing any one country, including China, from dominating the region including the South China Sea.

Q2. Given recent development, which country, China or Japan, do you think is ahead in the vaccine contest?

ANSWER: China has a head start because COVID-19 originated there. After China brought the pandemic under control it began to provide PPE, other medical equipment, and medical experience and advice to regional states. China's vaccines Sinopharm and Sinovac, however, were given emergency approval only recently by the World Health Organisation after European and U.S. produced vaccines were approved.

Japan produces AstraZeneca on license from the United Kingdom. Japan only this month decided to donate 1.24 million vaccines to Taiwan. This week it added Vietnam to its list with a pledge of one million doses. Japan has since extended its offer to

provide free vaccine to the Philippines, Malaysia and Thailand. Japan, however, cannot compete with China's offer of 100 million vaccine doses.

In March, the Quad pledged to provide vaccines to the Indo-Pacific manufactured in India, funded by Japan and the United States, and delivered by Australia. This program has stalled due to the current outbreak of new strains of COVID-19 in India. This month President Joe Biden pledged to provide 500 million doses of vaccine to low-income countries, including Africa, while Prime Minister Boris Johnson promised 100 million doses. G7 countries committed to donate at least 870 million doses of COVID-19 vaccines with a pledge to deliver at least half by the end of 2021.

At present, data on COVID-19 for four Southeast Asian countries reveals that none is dependent on any one country as its primary source of vaccine. Indonesia imports most of its vaccine from China (mainly Sinovac) but also imports considerable amounts of AstraZeneca, Janssen and Novavax from the United Kingdom and the United States.

The Philippines has acquired COVID-19 vaccines from five different manufacturers, including Pfizer, Sinovac, Janssen, Moderna and Sinopharm.

Q3. What should Viet Nam do to exploit this vaccine contest, and have they done enough?

ANSWER: Vietnam currently sources its COVID-19 vaccine mainly from Russia (Sputnik V) and Moderna. This week it gave emergency approval for Pfizer vaccine made in Belgium and Germany.

The Vietnamese government presently is casting a wide net seeking vaccine supplies from a variety of countries. In response to a question at a press conference in Hanoi, a Ministry of Foreign Affairs spokesperson replied, "At the directive of the Prime Minister, the Ministry of Foreign Affairs and overseas Vietnamese representative missions are striving to negotiate with vaccine manufacturers and providers around the world to gain access to more sources of vaccine..."

China does not appear to be on Vietnam's list due to anticipated widespread public reaction against Chinese vaccine.

In sum, it is not a question of whether China is leading Japan in providing COVID-19. China initially embarked on vaccine diplomacy to counter efforts by the Quad. So the question should be: can the U.S. and Europe out-bid China and provide COVID-19 more rapidly than China?

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