

Vietnam's Approach in Navigating China-India Rivalry

By Bich Tran

Introduction

China and India occupy prominent positions in Vietnam's foreign policy architecture. Both powers hold the status of comprehensive strategic partners—the highest level in Vietnam's hierarchy of foreign relationships. However, the Sino-Indian rivalry, characterised by territorial disputes and competition for regional influence, presents a complex challenge for Hanoi. This article examines how Vietnam has managed its relationships with these two major powers while maintaining its strategic autonomy.

China and India in Vietnam's Foreign Policy

Vietnam established a strategic partnership with India in **2007**, recognising New Delhi's growing strategic importance. This partnership was upgraded to a comprehensive strategic level in **2016**, reflecting deepening cooperation across multiple domains. Its significance had further increased within the framework of India's Act East Policy, which considers the Association of Southeast Asian Nations as a central pillar.

While China formalised its partnership with Vietnam a year after India, it attained comprehensive strategic partner status from the outset in **2008**. This reflected the



complexity of Sino-Vietnamese relations. Despite the ongoing disputes in the South China Sea, China remains crucial to Vietnam's economic development and regime survival.

Strengthening ties with both China and India aligns with Vietnam's longstanding principle of diversifying external relations, which seeks to build partnerships with multiple major powers and avoiding overdependence on any single partner. Despite the heightened tensions between China and India following their 2020 border conflict, Vietnam has continued to deepen ties with both nations without alienating either side.

China-Vietnam Relations

The diplomatic relations between Vietnam and China have continued to deepen since 2020. After securing his third term as the General Secretary of the Communist Party of Vietnam Central Committee in 2021, the

late Nguyen Phu Trong paid an **official visit** to Beijing in October 2022. By departing from the tradition of visiting Laos on his first overseas trip after being reselected, Trong signalled Vietnam's recognition of China's importance in its foreign policy calculations. Meanwhile, Trong was also the first foreign leader that Chinese leader Xi Jinping received after Xi secured a third term. The relationship reached another milestone in December 2023 with Xi's state visit to Hanoi. He and Trong agreed to build a Vietnam-China **community with a shared future**. After Trong passed away, his successor (who also temporarily held the position of State President), To Lam, chose to pay a **state visit** to China in his first overseas trip in this role.

Bilateral trade between Vietnam and China exhibited robust growth between **2020** and **2023**, rising from \$133.1 billion to \$172 billion. In 2020, Vietnam's imports from China stood at \$84.2 billion, while exports to China amounted to \$48.9 billion. By 2023, imports from China had increased to \$110.7 billion, and exports had grown to \$61.3 billion. This reaffirmed China's position as Vietnam's leading trade partner, and Vietnam as the former's biggest trade partner in ASEAN.

China's foreign direct investment in Vietnam also showed substantial growth during this period. By the end of **2020**, Chinese enterprises had invested \$18.6 billion in Vietnam across 3,134 projects. This figure increased markedly in **2023**, reaching 4,249 projects with the total

registered capital of \$27.1 billion. The significant expansion contributed to China's improved standing amongst Vietnam's foreign investors, advancing from the seventh to the sixth-largest source of investment in the country.

Despite ongoing disputes in the South China Sea, Vietnam has maintained practical security cooperation with China. The two countries have conducted **joint patrols** along their shared 1,450 km border since 2017. This cooperation extended to maritime domains, with the Vietnam Coast Guard and China Coast Guard conducting biannual **joint patrols** near the demarcation line in the Gulf of Tonkin since 2020.

India-Vietnam Relations

High-level diplomatic engagement between Vietnam and India has maintained a strong momentum since 2020. The Chairperson of National Assembly Vuong Dinh Hue's **official visit** to India in December 2021 strengthened parliamentary cooperation between the two systems. He was the first leader of the thirteenth National Congress in Vietnam to visit New Delhi. Another milestone was reached in July 2024 when Prime Minister Pham Minh Chinh made a **state visit** to India, the first of such visit in a decade.

Vietnam-India economic relations, whilst modest in comparison to Vietnam's engagement with China, have shown steady progression. Bilateral trade volume expanded from \$9.7 billion in **2020** to \$14.4

billion in **2023**. This growth has secured India's position as Vietnam's eighth-largest export destination and tenth-largest import source. While Vietnam has not yet entered the ranks of India's top ten trading partners, the two sides aim to **increase** bilateral trade to \$20 billion in the coming years.

Investment ties between Vietnam and India have shown promising development since 2020, though they remain relatively modest compared to Vietnam's investment relationships with other major partners. By the end of **2020**, India had invested in 293 projects in Vietnam with a total registered capital of \$0.9 billion. By the end of **2023**, the number of projects increased to 389 with \$1 billion in capital. This moved India up from the twenty-sixth to the twenty-fourth largest investor in Vietnam.

Vietnam-India defence cooperation has deepened significantly in recent years. Indian Defence Minister Rajnath Singh paid an **official visit** to Hanoi in June 2022, when the two sides issued the **Joint Vision Statement** on India-Vietnam Defence Partnership towards 2030. The document aimed to accelerate the finalisation of the \$500 million line of credit that New Delhi extended to Hanoi in 2016, serving dual strategic purposes. First, it supports Vietnam's efforts to diversify its arms suppliers, particularly when purchasing Russian arms has become more difficult following Russia's annexation of Crimea in 2014 and invasion of Ukraine in 2022.

Second, it advances India's ambitions to develop its defence industry. Vietnamese Defence Minister General Phan Van Giang reciprocated with an **official visit** to India in February 2023.

The relationship reached another historic milestone when India transferred an active-duty missile **corvette** to Vietnam in June 2023—the first time India has gifted such a warship to any nation. The strategic significance of this transfer extended beyond the material acquisition itself. It signalled a deepening of trust between the two nations and underscored India's growing importance as a defence partner in the Indo-Pacific.

Conclusion

By deepening ties with both China and India simultaneously, Vietnam has effectively avoided being drawn into their competition whilst preserving its strategic autonomy. This approach has proven particularly effective in the post-2020 period, as tensions between India and China have risen following their border clash. Furthermore, Vietnam's partnership with China is predominantly focused on economic cooperation, while its partnership with India is centred on defence cooperation. By differentiating partnership priorities, Vietnam has maximised the strategic benefits of its relationships with both powers.

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