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Enhancing British– Vietnamese relations in a more competitive era

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Foreword

Over the past decade, relations between the United Kingdom (UK) and Vietnam have grown. A number of ministerial exchanges have taken place, most recently with Dominic Raab, the former British Secretary of State for Foreign and Commonwealth Affairs, and Ben Wallace, the British Secretary of State for Defence, visiting Vietnam in June and July 2021, respectively. There, both gave speeches to emphasise the importance of relations between the two countries in a changing international environment. Likewise, high-ranking members of the Vietnamese Government are expected to visit Britain in November 2021 to partake in the United Nations Climate Change Conference (COP26). Moreover, with the UK's 'tilt' towards the Indo-Pacific, the two countries share many interests in relation to the Southeast Asian region, not least in upholding a stable and open international order and resisting geopolitical flux.

In light of the importance both countries afford one another, the Council on Geostrategy decided to assess the state of the relationship and offer ideas as to how the British-Vietnamese strategic partnership could be deepened. This study, by Dr Bill Hayton, one of the UK's leading experts on Vietnam and Prof. John Hemmings, a leading analyst on Indo-Pacific geopolitics, is the result. Based on a hybrid research seminar held in early October 2021 and interviews with numerous officials and experts in the UK, Vietnam and the United States (US), it offers a number of recommendations as to how the governments of the two countries might strengthen their strategic partnership in the years ahead.

James Rogers

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Executive summary

1. Relations between the United Kingdom (UK) and Vietnam are growing closer, largely in response to increased competition in the international system. The UK's 'Integrated Review of Security, Defence, Development and Foreign Policy', published in March 2021, has highlighted a new approach towards Asia – known as a 'tilt' towards the Indo-Pacific in response to the economic opportunity and security challenges arising from the region.
2. As a 'middle power' with a larger and more ambitious neighbour, Vietnam continues to hedge against regional tensions by searching for equilibrium and balance in its network of friendly partners across the international system. As a nuclear power, with globally deployable maritime capabilities, advanced technology, and privileged positions in international forums, the UK is a good partner for Vietnam.
3. Drawing from a combination of open-source documents, interviews with experts from both countries, and a research seminar, this Policy Paper outlines opportunities for the two countries across a range of sectors. Vietnam's current priority is getting enough vaccines to slow down the progress of the Covid-19 pandemic across its population, presenting London with an opportunity for vaccine diplomacy and medical cooperation across a range of sectors. The promise of soft power returns are significant.
4. The UK, for its part, has a deep interest in developing greater engagement in Southeast Asia to diversify its diplomatic and trading arrangements. Vietnam is already welcoming greater economic ties with the UK by encouraging greater two-way trade and supporting British inclusion in regional diplomatic and economic blocs, particularly the Association of Southeast Asian Nations (ASEAN) – of which the UK recently became a 'Dialogue



Partner' – and the Comprehensive and Progressive Trans-Pacific Partnership (CPTPP).¹

5. While economic activity is paramount in the relationship, the developing strategic and defence context should not be ignored. Both states are dependent on open access to the maritime commons. Many of Vietnam's concerns about the People's Republic of China's (PRC) behaviour in the South China Sea are shared by the UK. While the UK remains an extra-regional power, with a primary security focus on NATO and the Euro-Atlantic theatre, its Indo-Pacific 'tilt' indicates a growing strategic interest in the region and a willingness to partner with other states to help defend an open international order.
6. In short, the UK's long history as a trading and maritime power makes it an attractive partner to Vietnam, a country which still views itself as a predominantly terrestrial power but with growing maritime interests. Meanwhile, Vietnam is an increasingly attractive partner for the UK, not least because of its large population, burgeoning economy, and central geostrategic location.

¹ Guy Faulconbridge and Khanh Vu, 'UK secures Vietnam backing to join Trans-Pacific trading group, Raab says', Reuters, 30/09/2020, <https://reut.rs/2XJra6g> (found: 24/10/2021).



1.0 Introduction

The development of relations between the United Kingdom (UK) and Vietnam comes at a time of great change in the international system. Her Majesty's (HM) Government's 'Integrated Review of Security, Defence, Development and Foreign Policy' published in March 2021, recognised the need for the UK to adopt 'a sharper and more dynamic focus' so as to 'adapt to a more competitive and fluid international environment; do more to reinforce parts of the international architecture that are under threat; and shape the international order of the future by working with others.'² The Integrated Review noted, in particular, the combination of opportunities and threats emerging from Asia. As a consequence it declared a 'tilt' in UK policy to 'pursue deeper engagement in the Indo-Pacific in support of shared prosperity and regional stability, with stronger diplomatic and trading ties.'³ It said the UK would look to 'cement' its ties with Vietnam as one of several countries identified as important to this objective.⁴

Vietnam has also recognised how complex the regional and international environment has become, noting in its 2019 Defence White Paper how the Indo-Pacific 'region still remains the ground for major powers' rivalry and influence intensification, harbouring destabilising elements, traditionally and non-traditionally alike.' It asserts that '[d]isputes over territorial sovereignty are likely to become more complex, potentially leading to conflicts, threatening regional stability, peace, and prosperity.'⁵ Vietnam has, for some time, recognised the importance of diversifying its international relationships beyond its immediate neighbours into what is called a 'multidirectional' foreign policy.⁶ This strategy is a form of 'hedging', by which states neither fully balance against, nor bandwagon with, other states. Instead, Vietnam uses its multidirectional approach to create 'as many equidistant partners [as possible] to ensure freedom

² 'Global Britain in a Competitive Age: the Integrated Review of Security, Defence, Development and Foreign Policy', Cabinet Office, 07/03/2021, <https://bit.ly/3vX8RGY> (found: 24/10/2021).

³ Ibid.

⁴ Ibid.

⁵ '2019 Vietnam National Defence', Ministry of Defence (Vietnam), 12/10/2019, <https://bit.ly/2ZgswWD> (found: 24/10/2021).

⁶ Nicholas Chapman, 'Mechanisms of Vietnam's Multidirectional Foreign Policy', *Journal of Current Southeast Asian Affairs*, 36:2 (2017).



and protect itself from overdependence on one particular power.’⁷ Given the importance of economic development to its overall national security, Vietnam has prioritised the growth of foreign investment and trade. To this end it has concluded trade and partnership agreements with many countries, particularly in Europe.

In the wake of the UK’s withdrawal from the European Union (EU), Vietnam has moved to strengthen ties with the UK. While the internal and international situations of the two countries are very different, there are many opportunities for cooperation. In the past few years, the challenges of the Covid-19 pandemic, the impact of climate change and shifts in the international order have brought the governments of the two countries closer together.

In writing this Policy Paper, we have drawn from open source and public documents, subject-matter expert interviews, and hosted a research seminar with policymakers, practitioners and scholars from both countries. Our hope is to give a brief snapshot of the current state of ties, while understanding the aims and intentions of both countries, in order that both might create an ambitious – yet realistic – roadmap for the bilateral relationship.

Having laid out the context of the relationship in this introduction, the second section tracks the historical evolution of the bilateral relationship, noting how the post-Cold War period spawned great changes in Vietnam’s approach and in its immediate environment. A third section explores this further, noting how the geopolitical situation in the Indo-Pacific has driven both the UK and Vietnam to find new partners in response to their national interests. Then, in the fourth section, we put forward recommendations across the Diplomatic, Information, Military, and Economic sectors (known as a ‘DIME’ approach) that are a result of our interviews, discussions, and access to open-source documents. While not all the recommendations are created equally, we feel that many hold great promise and put them forward to the British and Vietnamese governments for their consideration. Finally, in the concluding section, we summarise the paper’s findings and lay out some final thoughts on the future course of the bilateral relationship between the two countries.

⁷ Thuy T. Do, ‘Is Vietnam’s bamboo diplomacy threatened by pandas?’, East Asia Forum, 24/04/2014, <https://bit.ly/3EcZbeJ> (found: 24/10/2021).

2.0 History of British–Vietnamese relations

The UK established formal diplomatic relations with the Democratic Republic of Vietnam on 16th July 1973, a few months after the signing of the Paris Peace Accords (Britain had previously only recognised the southern-based Republic of Vietnam, with a consulate in Hanoi). For 20 years, with Vietnam part of the Soviet-led bloc, relations remained somewhat limited but they began to improve after the end of the Cold War and the resolution of the Cambodia conflict in 1991. In 1998, the UK opened an office of the Department for International Development (DFID) in Hanoi and over the following 18 years provided around £500 million in bilateral development aid to Vietnam.⁸ Vietnam's economy grew rapidly during this period, reaching the status of a 'lower middle income country' in 2010.⁹ The UK's bilateral aid programme to Vietnam ended in 2016, although it continues to provide funding through the World Bank and other multilateral donors and lenders.¹⁰

In 2010, the UK and Vietnam agreed a 'Strategic Partnership' covering: political-diplomatic cooperation; global and regional issues; trade and investment; sustainable socio-economic development cooperation; education, training, science and technology; security and defence; and people-to-people links.¹¹ Among many initiatives, the partnership established a biennial 'Strategic Dialogue' to be chaired by a Deputy Minister of Foreign Affairs, alternating between Hanoi and London. Vietnam has high regard for these formal statements of cooperation. The UK was the ninth country with which Vietnam established a strategic partnership, following those with Russia (2001),

⁸ Landell Mills Development Consultants and Mekong Development Research Institute, 'Evaluation of the long-term development cooperation between the UK and Vietnam', Department for International Development, 12/2015, <https://bit.ly/3EgANZP> (found: 24/10/2021).

⁹ A 'lower middle income' country is defined by the World Bank as a country with a Gross National Income per capita which is greater than US\$1,000. See: 'Vietnam: Achieving Success as a Middle-income Country', The World Bank, 12/04/2013, <https://bit.ly/3BeCxRc> (found: 24/10/2021).

¹⁰ 'The World Bank In Vietnam', The World Bank, 07/04/2021, <https://bit.ly/3b6AWIT> (found: 24/10/2021).

¹¹ 'UK-Vietnam Strategic Partnership Declaration', Foreign and Commonwealth Office, 08/09/2010, <https://bit.ly/3CaBJyg> (found: 24/10/2021).



Japan (2006), India (2007), the PRC (2008), and others. This was followed in 2011 by the signing of a bilateral Memorandum of Understanding (MOU), which supported information exchanges, training and peace support operations.¹²

Starting in 2016, the UK assisted with Vietnam's preparations for its first ever peacekeeping mission. British forces trained a Vietnamese military medical detachment to take over a United Nations Mission in South Sudan (UNMISS) hospital in Bentiu, South Sudan. Vietnam officially took command there on 27th October 2018. This was facilitated by a new UK-Vietnam MOU on defence-related cooperation in Hanoi signed on 19th April 2017.¹³ That was followed by an upgraded Defence Policy Dialogue. In November 2018, the two sides held the first such meeting at the deputy ministerial level.

A decade after the signing of the first Strategic Partnership, the two governments agreed a 'refreshed' version on 30th September 2020, setting a course for the following ten years.¹⁴ The renewed agreement covers the same seven areas as the previous but with new elements. Intergovernmental dialogues were upgraded to 'an annual Strategic Dialogue at Vice-Ministerial level; an annual Joint Economic and Trade Committee at Vice-Ministerial level; and an annual Defence Dialogue at Vice-Ministerial level'.¹⁵ Other pledges included commitments to an open, multilateral trading system, cooperation in the transition to low carbon economies, educational exchange, cultural collaboration and 'closer coordination through multilateral fora'.¹⁶

In the field of 'defence, security and serious organised crime', the renewed Strategic Partnership commits the UK and Vietnam to 'continue ministerial and senior military official level exchanges; including the annual Vice-Ministerial Defence Policy dialogue and the Defence Cooperation Working Group' focused on, 'peacekeeping operations, military healthcare and training, English language provision, maritime security, including maritime law enforcement

¹² 'UK and Vietnam sign Defence Co-operation Memorandum of Understanding', Ministry of Defence, 24/11/2011, <https://bit.ly/3b8Ww9k> (found: 24/10/2021).

¹³ 'Increasing UK-Vietnam defence-related cooperation', British Embassy Hanoi, 21/04/2017, <https://bit.ly/2ZoEhdS> (found: 24/10/2021).

¹⁴ 'Joint declaration on UK-Vietnam strategic partnership: forging ahead for another 10 years', Foreign, Commonwealth and Development Office, 30/09/2020, <https://bit.ly/3EfVzxw> (found: 24/10/2021).

¹⁵ Ibid.

¹⁶ Ibid.



capacity building, defence industry cooperation and collaboration on geospatial and hydrographic co-operation'.¹⁷

A UK-Vietnam Free Trade Agreement signed at the end of 2020 allowed the benefits of the EU-Vietnam Free Trade Agreement to continue for both sides after British withdrawal from the EU. Further trade discussions are ongoing, in particular over the UK's accession to the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP), which Vietnam supports. In July 2021, Ben Wallace became the first British Secretary of State for Defence to visit Hanoi.¹⁸ During his visit the two sides agreed a new 'Maritime Security Partnership' covering annual maritime law exchanges, increased training opportunities and engagement in public events. In October 2021, HMS Richmond became the first British warship to take part in a 'passing exercise' (PASSEX) with a Vietnamese counterpart. This had rather a low profile in the Vietnamese media which described the activity with the less confrontational phrase 'diễn tập' – practice – rather than 'tập trận' – 'battle practice'.

With the UK now a formal 'Dialogue Partner' of the ten-country Association of Southeast Asian Nations (ASEAN), Vietnam has declared its support for the UK's participation in the regional ASEAN Defence Ministers' Meeting Plus (ADMM-Plus).¹⁹ In December 2020, Wallace and Florence Parly, his French counterpart, addressed the grouping at Vietnam's invitation.²⁰ ASEAN is currently discussing whether to invite new members to join the various ADMM-Plus 'Expert Working Groups' on specific issues, which, if agreed and offered, might be of interest to the UK.

The British and Vietnamese governments are also cooperating on a broader range of activities. Medical experts from the two countries have long worked together. The Clinical Research Unit (funded by the Wellcome Foundation) at the University of Oxford has had a base in Ho Chi Minh City since 1991, something which facilitated vital exchanges of information throughout the Covid-19 pandemic. The UK has donated 400,000 doses of vaccine directly to Vietnam, in addition to its

¹⁷ Ibid.

¹⁸ Ben Wallace, 'Defence Secretary Vietnam Diplomatic Academy speech', Ministry of Defence, 24/07/2021, <https://bit.ly/3b6Impu> (found: 24/10/2021).

¹⁹ 'Vietnam enhance defence ties with US, UK', *Vietnam Pictorial*, 31/07/2021, <https://bit.ly/3py0JvD> (found: 24/10/2021).

²⁰ Ian Storey and Thi Ha Hoang, "Global Britain" and Southeast Asia: Progress and Prospects', *Perspective*, 2021: 130 (2021).



contributions to the COVAX consortium (which, by late September 2021 had donated 12 million and sold 10 million doses to Vietnam).²¹ There is still much more to do, as we indicate in the recommendations in the diplomacy section. The UK worked closely with Vietnam in preparations for the United Nations Climate Change Conference (COP26) summit on combating climate change.

Box 1: Timeline of UK–Vietnamese ties

1973	Formal diplomatic negotiations between the UK and Vietnam
1998	DFID opens an office in Vietnam
2004	Duc Luong Tran, President of Vietnam, visits the UK
2005	Tan Dung Nguyen, Vietnamese Prime Minister, visits the UK
2010	UK–Vietnam ‘Strategic Partnership’ signed
2011	Defence Cooperation ‘Memorandum of Understanding’ signed
2015	David Cameron becomes the first UK prime minister to visit Vietnam
2016	UK bilateral aid programme to Vietnam ends
2018	UK–Vietnam ‘Memorandum of Understanding’ on defence
2018	HMS Albion (amphibious assault vessel) visits Ho Chi Minh City
2020	HMS Enterprise (survey ship) visits Haiphong port
2020	UK–Vietnam Free Trade Agreement signed
2021	Dominic Raab, UK Foreign Secretary, visits Vietnam
2021	Ben Wallace, UK Defence Secretary, visits Vietnam
2021	UK–Vietnam ‘Maritime Security Partnership’ agreed
2021	HMS Richmond (frigate) visits Cam Ranh port and takes part in PASSEX
2021	Pham Minh Chinh, Vietnamese Prime Minister, visits the UK

²¹ ‘COVAX vaccine roll-out Vietnam’, Gavi: The Vaccine Alliance, No date, <https://bit.ly/3jyZrg7> (found: 24/10/2021).



3.0 The UK and Vietnam: shared interests in the Indo-Pacific

The growing partnership between the UK and Vietnam is occurring against a backdrop of intensifying geopolitical competition in the Indo-Pacific region, driven largely by the rise of the PRC's economic and military power and its ambition to control the maritime spaces on its periphery. Geography and politics require Vietnam to diversify its relationships in order to avoid becoming dependent on its giant neighbour. Its leadership takes care to avoid overemphasising strategic issues in bilateral ties. Nonetheless, the strategic driver of the UK-Vietnamese relationship should not be ignored or underplayed.

The national interests of both countries are in play and their mutual concerns do overlap in a number of areas. Further, Vietnam sees its bilateral relationship with the UK in the context of the growing Indo-Pacific 'great game', where states are balancing diplomatically, economically, and militarily in a rapidly changing environment.²² The recent announcement of the Australia-UK-United States (US) defence cooperation agreement – known as 'AUKUS' – is one response to this new situation. While Vietnam is thought to accept the formation of the new security pact, its statements have not clearly stated that in state media, focusing only on the peaceful use of nuclear technology.²³ Indeed, there are concerns in Southeast Asia that AUKUS could undermine the regional security balance and the principle of 'ASEAN centrality'.²⁴

Vietnam, for its part, views the PRC's rise as both an opportunity and a threat. Its economy has benefited from trade with the PRC but its leadership fears a loss of strategic autonomy and of maritime resources, primarily energy and fisheries. In addition, Hanoi worries about how Beijing might utilise its fortified islands in the South China Sea to control access to the region. These are concerns that Britain shares. In addition to its historical role guaranteeing the freedom of

²² See, for example: Yuri M. Yarmolinsky, 'The Great Game 2.0 in Asia', Observer Research Foundation, 03/04/2021, <https://bit.ly/3Cb3uqd> (found: 24/10/2021).

²³ Hu Anh, 'Vietnam spells out Stance on AUKUS', *Hanoi Times*, 23/09/2021, <https://bit.ly/3CdJ5AP> (found: 24/10/2021).

²⁴ William Choong and Sharon Shea, 'Why AUKUS Alarms ASEAN', *Foreign Policy*, 19/10/2021, <https://bit.ly/2XGy3oV> (found: 24/10/2021).



navigation, the UK relies on access to the South China Sea for about 12% of its trade.²⁵ While this issue binds Hanoi and London together, Vietnam sees developing security partnerships with non-regional states as part of a balancing act: Hanoi needs good relations with Beijing for economic growth and political stability but fears becoming dependent upon that relationship. Its desire for independence and autonomy – shared by other Southeast Asian countries – drives its search for economic and security diversification.

The Vietnamese leadership also regards the development of strong relationships with non-communist states like the UK as a means of anchoring its rule. Constructive bilateral ties between Hanoi and London give the UK a stake in political stability in Vietnam and offer an assurance that Britain is unlikely to adopt ‘anti-communist’ measures or encourage instability.

The UK-Vietnam relationship must therefore be approached with care and consideration. Policymakers on both sides should eschew an overly defence-led relationship and approach the bilateral with a larger sense of the overall strategic context, encompassing trade, diplomacy, technology, and people-to-people exchanges. It is clear, for example, that Vietnam’s ambition to diversify trade and investment is an opportunity for the UK. It also sees Britain as a source for technology, training, and education. For the UK, Vietnam can be a growth market and a maritime-focused security partner in the heart of a contested Indo-Pacific space in which it has interests. Vietnam is also an important member of ASEAN, an organisation which the UK has already identified as a priority for building its regional influence, both economically and diplomatically.

²⁵ ‘How Much Trade Transits the South China Sea?’, *ChinaPower*, 25/01/2021, <https://bit.ly/3bbzVJa> (found: 24/10/2021).



4.0 Options for developing British–Vietnamese relations

In approaching possible routes for the development of the UK–Vietnam relationship, we found among our interviewees a consensus that the relationship should be strategic in nature, but broad in scope. For that reason, we suggest a number of policy options across the traditional quadrilateral matrix of Diplomatic, Information, Military, and Economic sectors (the ‘DIME’ framework).

Seminar participants and interviewees also recommended that the UK should coordinate its cooperation with Vietnam with like-minded partners to reduce duplication and competition in the provision of international support. Some coordination will be best done through high-level exchanges, such as the G7, while other work will be more effective if done in-country between locally-based diplomats.

4.1 Diplomacy

The UK and Vietnam view each other both as partners and as entry points into other groupings. For British policymakers dealing with a sense of post-EU uncertainty, it is important to recognise how positively Vietnam sees the UK. As Alex Vuving, Professor at the Asia-Pacific Centre for Security Studies, states:

Vietnam values the relationship with the UK because of its place in the UN system. It is a permanent member of the United Nations [UN] Security Council, it is also one of the nuclear-armed states, and is one of the larger economic, financial and technological centres in the world.²⁶

Vietnam’s desire to gain access to British know-how in the financial sector, in science and technology, and in the context of higher education was repeatedly emphasised by our Vietnamese interviewees. Equally importantly, the UK views Vietnam as what one interviewee

²⁶ Telephone interview with Alex Vuving, Professor at the Asia-Pacific Centre for Security Studies, 05/10/2021.



called a ‘key member’ of ASEAN, a diplomatic and economic bloc with which the UK wants to develop strong relations.²⁷

Meanwhile, Vietnam seeks support from its partners in international fora, particularly on the South China Sea. A well-informed Vietnamese respondent noted that Vietnam hopes the UK will be:

Speaking more publicly about the South China Sea. Offering statements such as the August 2019 E3 statement [a joint communiqué with France and Germany] and the joint note verbale helps. Raising SCS issues in international fora, such as the UN Security Council, NATO, G7 would also be very helpful as it would raise awareness of, and attention to, the issue.²⁸

Some of our interviewees stressed that British diplomats should remember that Vietnam’s strongest relationships are with three large countries that are or were members of the socialist or non-aligned blocs: Russia, the PRC, and India. It has a ‘Comprehensive Strategic Partnership’ with each of them. It also has an ‘Extensive Strategic Partnership’ with Japan, and ‘Strategic Partnerships’ with 14 other countries. Vietnam’s relationship with the US, while strong in many areas, is characterised by suspicion on Hanoi’s side. As a result the US-Vietnam partnership is ranked more lowly, a mere ‘Cooperative Partnership’. Understanding how Vietnam constructs this ‘hierarchy’ of diplomatic relationships will help British policymakers set realistic expectations about how far the relationship might develop.

Box 2: UK engagement with ASEAN

In August 2021, the UK formally became the eleventh ‘Dialogue Partner’ of ASEAN. This is both an opportunity and a challenge for the UK. The ‘ASEAN Way’ is based upon consensus and the UK will be expected to balance its ties across all ten members of the group, though it has traditionally focused only on six. British policymakers will have to think and act ‘regionally’ as well as ‘bilaterally’ in their relations with Southeast Asia. While ASEAN has a common political-security

²⁷ Telephone interview with anonymous British official, 07/10/2021.

²⁸ Electronic exchange with anonymous Vietnamese scholar, 27/09/2021.



‘pillar’, each of the ten member states retains sovereignty over foreign affairs and is free to engage countries outside the region as it chooses.

ASEAN is more an ‘inter-state’ organisation rather than an EU-style community. Developing UK-ASEAN relations further will go hand-in-hand with developing ties with key countries. Developing UK-Vietnam relations therefore should be seen also as a means to help develop UK-ASEAN relations as a whole. There will be opportunities to work regionally on issues relating to the environment, such as climate change, the Mekong River and fisheries; to cross-border crime, such as smuggling and piracy, and to economic development.

ASEAN also convenes the annual ‘ASEAN Regional Forum’ which brings together foreign ministers from the 10 ASEAN states and a further 17 others, including the EU.

Recommendations:

- **Covid-19 diplomacy:** Vietnam’s most immediate challenge is the Covid-19 pandemic. HM Government should continue to prioritise the supply of vaccines to Vietnam and the exchange of knowledge about the treatment of the disease and its aftermath.
- **Climate change diplomacy:** As Vietnam’s coastal areas are heavily populated and at risk from rising sea levels and extreme weather, Vietnam is sending a large delegation to COP26 in Glasgow which might lead to a commitment by Vietnam to reduce its carbon footprint. The UK should support Vietnam’s efforts to protect the population of the Mekong Delta at the regional and sub-regional levels.
- **Mekong diplomacy:** Vietnamese respondents were keen for the UK to increase its involvement with issues relating to the development and protection of the Mekong River. As one scholar commented: ‘Vietnam would love it; and so would Laos and Cambodia’.²⁹

²⁹ Electronic exchange with anonymous Vietnamese scholar, 27/09/2021.



- **Supportive diplomacy:** Look for opportunities for the two to support each other at the regional and international level. Vietnam might offer support for the UK in its attempts to develop understanding and increased engagement within ASEAN, while the UK might offer support to Vietnam at the UN Security Council and other UN forums for Vietnamese-led initiatives.
- **Promote freedom of navigation:** Make plans with like-minded states to celebrate the 40th anniversary of the signing of the United Nations Convention on the Law of the Sea (UNCLOS) in 2022 and create opportunities for the diplomatic defence of an open maritime order.
- **Defence diplomacy:** Increase opportunities and funding for public events, conferences, academic studies on maritime law, international law, and other sectors that relate to the South China Sea and are a shared interest. Meanwhile, HM Government should reassure regional states that the recent AUKUS agreement is not a threat to Southeast Asian interests or the geopolitical centrality of ASEAN to the region.
- **Resource diplomacy:** HM Government could offer support to Vietnam and its neighbours to work around fishing and water management issues and establish functional cooperation between littoral states. Consider whether the UK's Centre for Environment, Fisheries and Aquaculture (CEFAS) could offer assistance in assessing fish stocks and whether lessons from recent European experience in managing contested resources could be transferred.
- **Sustainability diplomacy:** ASEAN experts report a need to understand and harmonise regulations between different coastal states. In the absence of formal regional mechanisms, the UK should encourage 'coordinated unilateralism' between states independently taking compatible actions in support of sustainability (for example, similar closed fishing seasons).



4.2 Information

New technologies and increased geopolitical competition have resulted in a more contested ‘international information space’. Enhanced information ‘warfare’ is a feature of contemporary geopolitical dynamics. While there are many differences between the UK and Vietnam on the importance of freedom of information within their two societies, there are some areas where the two governments may be able to cooperate in terms of discursive statecraft and narrative shaping.

Recommendations:

- **Journalist training:** The UK should continue offering training and scholarships for Vietnamese journalists to be trained in media ethics, principles, and reporting practices.
- **Bilateral research:** Foster greater understanding among UK and Vietnamese think tanks and universities through funded research projects that are intended to improve understanding of each other and to bring greater public awareness to the relationship.
- **Strategic messaging:** Carry out small-scale, test-bed, cooperation in the field of strategic messaging as the two countries increase maritime security cooperation. As a sector that will obviously be subject to Chinese information operations, the UK and Vietnamese governments could carry out joint monitoring and analysis of information operations aimed at their military and security relationship.
- **Information operations understanding:** The two governments should develop a common language and understanding of how the media is used by foreign powers against Vietnamese and UK interests in so-called ‘grey zone’ operations – particularly in the maritime space – through the allocation of research grants or through research funding.
- **Foster information exchanges:** The two states could encourage greater information exchange among security, business, and law enforcement communities.



4.3 Military (and security)

Vietnam is a single-party state with a Leninist political system while the UK is an open and liberal state belonging to the North Atlantic Treaty Organisation (NATO) and in close alliance with the US. Vietnam's foreign policy-making process is also extremely opaque. At first glance, there would not seem to be much space for military cooperation. Indeed, the Communist Party of Vietnam strongly guards the country's political autonomy and its international non-alignment in what are termed Vietnam's 'four nos'. As laid out in its most recent Defence White Paper (2019), these are:

- No joining any military alliances;
- No siding with one country against another;
- No foreign military bases in its territory (or foreign use of its territory for military activities against other countries);
- No using force or threatening to use force in international relations.³⁰

Consequently, Vietnam is very careful with its defence diplomacy, right down to the terminology that it uses to discuss military activities. For example, military manoeuvres with foreign partners are likely to be described as 'diễn tập' – practice – rather than 'tập trận' – 'battle practice'. Hanh Nguyen, an Associate Fellow at the Pacific Forum, notes that Vietnam's defence ties fall into two groups: the strongest defence ties – involving defence sales, and security collaboration – involve Russia and India. The second group involves maritime capacity building and strategic alignment and includes the US, Japan, and Australia. Vietnam has an 'Extensive Strategic Partnership' with Japan, and 'strategic partnerships' with 14 other countries. Vietnam's defence relationship with the US, while strong in many areas, is still hampered by Vietnamese suspicions about its ulterior motives and, as a result, has developed less quickly.

While there are clear differences in openness, political culture and international relations between the UK and Vietnam, there are, nonetheless, opportunities for cooperation and discussion. British officials consulted for this report argue that the Strategic Partnership

³⁰ '2019 Vietnam National Defence', Ministry of Defence (Vietnam), 12/10/2019, <https://bit.ly/2ZgswWD> (found: 24/10/2021).



framework allows the two governments to have discussions on sensitive areas.

The 'security' section of the Strategic Partnership also includes law enforcement, an area where the two countries are beginning to work more closely together, particularly following the tragic deaths of 39 Vietnamese economic migrants being trafficked to the UK in 2019. This tragedy underscored the importance of the two governments working together to tackle organised trans-boundary crime. The current situation, affected by Covid-19, with suppressed economic output, will incentivise criminal activity. The region should expect greater levels of smuggling, people-trafficking, unregulated migration and maritime piracy.

Recommendations:

- **Security roadmap:** Design a loose and non-binding defence and security roadmap together, which lays out a long-term but realistic goal – such as the establishment of a 2+2 or 'Extensive Strategic Partnership' – similar to that Vietnam has with Japan – over a five year period.
- **Maritime capacity building:** The UK and Vietnam should continue and expand their cooperation on hydrography, maritime domain awareness and training on the Law of the Sea and International Maritime Organisation (IMO) commitments. HM Government should consider gifting patrol boats or other maritime equipment to increase Vietnam's maritime capacity. Both navies should consider low-level naval exercises such as search and rescue, maritime medicine, and humanitarian assistance and disaster relief (HA/DR). This will require greater English-language training for Vietnamese naval officers.
- **Naval cooperation:** With two British Offshore Patrol Vessels (OPVs) now based in the Indo-Pacific there are opportunities for deeper maritime cooperation. A Vietnamese scholar noted that there would be interest in 'onboard training' with the Royal Navy.³¹ Consideration should be given to ways that an observation and reporting presence might help prevent violations of UNCLOS

³¹ Electronic exchange with anonymous Vietnamese scholar, 27/09/2021.



by, for example, fishing vessels in the South China Sea. The UK strengths in remote sensing might also be leveraged to the same end.

- **Coast Guard cooperation:** A number of interviewees stated that the two countries should seek to increase coastguard training and cooperation. The UK could even dispatch a 'Coastguard Fellow' to the Diplomatic Academy of Vietnam and both might establish coast guard attachés in their respective embassies to increase this cooperation.
- **Grey zone study group:** Create a bilateral working study group – composed of scholars or naval officers – that looks at how grey zone operations occur in the maritime space and potential countermeasures and tactics. It could examine ways to make use of the Royal Navy's OPVs and remote sensing strengths in this objective.
- **Cybersecurity cooperation:** The UK could increase its cyber cooperation with Vietnam and with ASEAN partners in the field of cybersecurity through the new ASEAN Cybersecurity and Information Centre of Excellence that has just been established in Singapore. The UK should be aware, however, of the different understandings of the term 'cybersecurity' in Southeast Asia, where its meaning tends to be closer to 'information control'.
- **ADMM-Plus Expert Working Groups:** If ASEAN decides to invite other states to join the Expert Working Groups (EWGs) of the ADMM-Plus, then the UK should give serious consideration to joining those where it can add value.
- **Homeland security and policing:** Create a law-enforcement working group that meets annually and develops closer collaboration and coordination over issues of common concern – in particular human trafficking. Priority should be given to stopping the problem at source, by dissuading potential victims not to take the risk. Attention should also be paid to the growing problems of cross-border cybercrime, child sexual exploitation and wildlife trafficking.



4.4 Economy

Many of our interviewees from Vietnam emphasised the importance of sustaining the country's high levels of economic growth. For the Vietnamese leadership, growth is both beneficial to its people and the foundation of national security. As one interviewee stated: 'As with other Southeast Asian countries, we are dependent on China to power our economic prosperity. However, our reliance on China also brings threats to our sovereignty and autonomy.'³² The PRC-ASEAN Free Trade Agreement is seen to have disproportionately benefited the PRC, for example. One reason why Vietnam supports UK membership of the CPTPP, is to ensure there are counterweights inside the agreement should the PRC also join at some point in the future.³³ Vietnam has a strategic interest in economic diversification, something which the UK should see as an opportunity at a time when it is seeking to diversify economic relations beyond the EU.

Vietnam has a particular need for infrastructure development to support its rapidly-growing but bottlenecked economy. While it is unlikely that UK companies will be able to compete with Chinese, Japanese and South Korean contractors in construction tenders, there will be niches in which British business is well placed. These include engineering, consultancy, professional services, procurement, green and sustainable innovations, financing and financial technologies (Fintech). Vietnam is facing particular challenges in developing its economy while attempting to reduce its carbon intensity. As more investors sign up to initiatives such as the 'Climate Pledge' and 'RE100' the need for cleaner energy will increase.

Higher education is a sector in which the UK already has a strong reputation in Vietnam. There are good opportunities for growth here as Vietnam's middle class grows in both wealth and aspiration. However, Vietnamese students complain about the difficulties and costs of getting visas to the UK and the restrictions on remaining in Britain after graduation. It should be remembered that education encompasses more than universities and Vietnam needs to upskill its entire labour force.

There are, however, significant obstacles to overcome before UK-Vietnam trade and investment can fulfill its potential. British

³² Telephone interview with Hanh Nguyen, WSD-Handa Fellow, Pacific Forum, 07/10/2021.

³³ Quang Vinh Pham, 'Thinking the unthinkable about China's CPTPP application', *VN Express International*, 26/09/2021, <https://bit.ly/2XEcpBw> (found: 24/10/2021)



businesspeople active in Vietnam report considerable difficulties in navigating the local business environment. Rules made by different ministries can be inconsistent or even contradict one another. UK businesses often find it hard to meet potential partners and explore market opportunities. New visa and work permit regulations in Vietnam are making business travel more difficult and complicating the processes of management and staff recruitment. Given limited time and resources, the overall result is often that British businesses find it easier to invest elsewhere.

Recommendations:

- **Free Trade Agreement:** Publicise the opportunities available to companies in both countries under the UK-Vietnam Free Trade Agreement.
- **Foster Foreign Direct Investment (FDI):** Many British businesses are interested in investing in Vietnam but are wary of local regulations. Difficulties protecting intellectual property and obtaining land are hampering economic development. The two governments need to work together to improve the legal environment for business.
- **Reduce travel restrictions:** The governments of both the UK and Vietnam should work together to make business travel between the two countries easier. The visa regulations for short visits need to be simplified, as well as those for work permits.
- **Encourage business-to-business cooperation:** Work with the Vietnam Chamber of Commerce and Industry (VCCI) and other organisations to develop ways to bring Vietnamese and British businesses together. Facilitate easier access to information about opportunities to enable connections between businesses in the two countries.
- **Incentivise businesses to be bolder:** Encourage British businesses to explore markets and opportunities in Vietnam



- **Green technology:** The UK should continue and upgrade its support for Vietnam's transition to a low carbon economy, particularly in the generation and transmission of cleaner electricity. UK strengths in offshore wind and the development of its national grid should be leveraged in this regard. To the extent that Liquid Natural Gas (LNG) is a cleaner alternative to coal, UK strengths in supporting LNG could be leveraged as an interim measure.
- **Work towards a UK-Vietnam digital economic agreement (DEA):** This could be based on the model of the UK-Singapore agreement currently under negotiation.³⁴ This will be the first between the UK and an ASEAN state and will support Britain's bid for CPTPP accession.
- **Lever UK strengths in education:** Seek opportunities in upskilling Vietnam's workforce. Develop online and virtual opportunities for learning and TVET (Technical and Vocational Education and Training).
- **Simplify and reduce the cost of visas for Vietnamese students:** Allow Vietnamese students to study in the UK and ease the process for staying for a period after graduation.
- **Resource management:** Vietnam faces challenges managing its offshore resources. There are opportunities for the UK to assist Vietnam in these efforts, in ways that will enhance human security and environmental sustainability. There is a desperate need to monitor and manage fish stocks in the disputed South China Sea.
- **Support ASEAN's 'Subcommittee on Marine Science and Technology':** This would facilitate better understanding of questions of pollution, fish stocks and other maritime issues. There is a great need to rebuild marine science capacity in ASEAN countries where there is a lack of funding for new researchers.

³⁴ 'UK Singapore joint statement on the launch of negotiations on a Digital Economy Agreement', Department for International Trade, 29/06/2021, <https://bit.ly/3b4xqZt> (found: 24/10/2021).



There is also a lack of capability among policymakers and officials.

- **Increase educational exchange:** Creating a cross-departmental working group to bring together university representatives with the Department of Education and the Foreign, Commonwealth and Development Office (FCDO) to explore ways of increasing Vietnamese students in the UK and the establishment of British university satellite campuses in Vietnam. Also increase the number of FCDO Chevening Awards scholarships for Vietnam.
- **Free ports:** Develop a model, along the lines of the Netherlands' free port system, to facilitate trade with the UK and Vietnam. Make the bureaucracy of international trade easier for Vietnamese businesses to navigate.



5.0 Conclusion

The key word for the future of UK-Vietnam relations is ‘trust’. HM Government should expect developments to be gradual and for both sides to take time to assess developments before pursuing further steps. The best way to build trust will be to seek common ground while remaining clear-eyed about the fundamental differences between the two countries’ political systems and strategic dispositions. Neither side is likely to transform its governance or its international orientation in the short or medium term. Vietnam will expect the UK to continue to press on sensitive areas, such as freedom of expression, but in a quiet and diplomatic manner. The UK will have to recognise that Vietnam will remain a Communist Party-led state, with all that that entails.

There are many areas where existing cooperation can be expanded and deepened, and others where new ground can be broken. Vietnam’s most pressing needs are in tackling Covid-19 and its consequences, generating sustainable economic growth and coping with the many challenges of climate change. These are all areas where the two sides should increase their ambitions and cooperation. Likewise, the UK and Vietnam have a strong shared interest in promoting an open international order. There are already examples of diplomatic and security cooperation between the two, and these can be further enhanced.

With its highly centralised political system, Vietnam will require sustained diplomatic attention from the UK at both the bilateral and multilateral level. Vietnamese Prime Minister Pham Minh Chinh is expected to lead a large delegation to COP26 in Glasgow. This should provide an excellent opportunity to initiate and sustain these senior level engagements. In addition to creating mechanisms of cooperation or working groups in the various sectors described in this report, the visit provides an opportunity to deepen collaboration in sectors where there is little activity, such as financial services, banking, petroleum and natural gas, renewable energy, the digital economy, manufacturing and law.

As part of its ‘tilt’ towards the Indo-Pacific, HM Government may wish to prioritise initiatives that will enhance the UK’s ‘regional offer’ and reinforce its relationship with ASEAN as a whole. There are



good reasons to support such an approach but dealing with multiple governments will generate complexities. The UK should prioritise initiatives that will lead to concrete results with specific countries (such as Vietnam) while simultaneously demonstrating that it is thinking regionally and remains open to widening its cooperation.

Above all, HM Government should avoid the perception that it is pushing Vietnam to choose between its international partners. The situation in the Indo-Pacific is dynamic and the UK will also have to monitor the regional situation closely, as changes could occur very rapidly. A Taiwan contingency or naval encounter between the PRC navy – the People’s Liberation Army Navy – and a regional state could affect both the calculations of both Vietnam and the UK. Ultimately, both governments will take whatever decisions they think are necessary to protect their sovereignty, security and prosperity and should expect the other to do the same. When undertaking research for this Policy Paper, several interviewees noted that UK-Vietnam relations are ‘good, healthy and stable’. It is the hope of the authors that they remain that way while developing in intensity and trust.

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