

Thayer Consultancy
ABN # 65 648 097 123



Background Briefing:

Vietnam: What Will Vietnam Ask for Now that the Embargo is Lifted?

Carlyle A. Thayer

May 24, 2016

[client name deleted]

We request your assessment on reports out of Vietnam that the US is fully lifting the arms ban. Here are the issues that interest us:

Q1-Why is the U.S. lifting its arms ban on Vietnam so significant? And why is it happening now?

ANSWER: The significance of lifting the US arms embargo is more political than it is substantive. Vietnam has long viewed the arms embargo as blatantly discriminatory and a throwback to the Cold War. President Obama has removed a major irritant in bilateral relations and opened the door to potential defence cooperation. It is happening now because Obama is showcasing his rebalance to Asia policy in his waning months in office. Vietnam has been a success story. It signed on to the TPP. It reached an Agreement of Comprehensive Partnership with the US in 2013. And Vietnam and the US issued a Joint Vision Statement on defence cooperation in 2015. Now that the embargo has been lifted the US and Vietnam can continue to address the legacies of the war - Agent Orange and unexploded ordnance - and expand cooperation under their comprehensive partnership.

Q2-How does the brinkmanship over the South China Sea come into play here?

ANSWER: Vietnam is willing to join with the US politically and diplomatically in opposing Chinese actions in the South China Sea but Vietnam will not join the US militarily to confront China. Vietnam wants to improve its capacity for self-defence. The US wants to assist in building the capacity of Vietnam's maritime law enforcement agencies to deal with illegal fishing, smuggling, trafficking and other transnational crimes. The US does not want to be drawn into a Vietnam-China conflict.

In other words, the US is left to do the heavy lifting against Chinese assertiveness and island building in the South China Sea to protect its rights to freedom of navigation, over flight and lawful international commerce.

Q3-What is Vietnam's defense strategy in the region, and what is the country hoping will come out of the deal in terms of technological and military needs?

ANSWER: Vietnam's defence strategy includes political and diplomatic elements of power. Vietnam wants a credible deterrent to China. It has acquired five of six

advanced conventional Kilo-class submarines, Gepard class stealth missile frigates, Su-30 multirole jet aircraft armed with air to surface missiles and coastal anti-ship missiles. Vietnam knows that if a conflict broke out most of the world's powers would want it stopped immediately because of the damage to world commerce and the world economy.

Vietnam works hard at promoting ASEAN (Association of Southeast Asian Nations) unity to present a united diplomatic front to China. But ASEAN is at the nascent stage of defence cooperation.

Vietnam is a security taker and welcomes assistance from both Japan and US for capacity building of its Coast Guard and Fisheries Surveillance Force.

What is most likely to happen now that the arms embargo has been lifted is that Vietnam will seek to purchase advanced communications technology, drones, PC3 Orion maritime patrol aircraft, coastal radar and ISR (intelligence, surveillance and reconnaissance) technologies to create a real time operational picture in its maritime domain.

Under the terms of the 2015 Joint Vision Statement on defence cooperation the way is now open to step up trade in defence items and defence technology cooperation leading in the future to possible co-production.

Q4-Can you assess media reports that the US will be given access to Cam Ranh Bay as a response to the lifting of the arms embargo?

The media carries speculation that a quid pro quo for the lifting of the arms embargo was Vietnam's agreement to permit the US access to Cam Ranh Bay on a rotational basis. This is highly speculative. In 2009 Vietnam's Prime Minister Nguyen Tan Dung declared that a port in Cam Ranh Bay would be open to all navies in the world. The port was built this year. It has been visited by naval ships from Singapore and Japan. The US would be welcomed on the same terms but not on a rotational basis as with the Philippines.

Vietnam has a defence policy of three no's: no military alliances, no foreign military bases, and no teaming up with one country to confront a third (or words to this effect).

Future US-Vietnam defence cooperation will involve stepped up activities designed to meet natural disasters where the military plays a key role in transport and providing relief supplies. The US will also contribute to develop Vietnam's Peacekeeping Center to support Vietnam's first major deployment to UN peacekeeping in Africa. Vietnam will send a level two Field Hospital to the southern Sudan.

Suggested citation: Carlyle A. Thayer, "Vietnam: What Will Vietnam Ask for Now that the Embargo is Lifted?," *Thayer Consultancy Background Brief*, May 24, 2016. All background briefs are posted on Scribd.com (search for Thayer). To remove yourself from the mailing list type UNSUBSCRIBE in the Subject heading and hit the Reply key.