

Thayer Consultancy  
ABN # 65 648 097 123



## **Background Briefing:**

### **Australia-Vietnam to Forge Strategic Partnership**

**Carlyle A. Thayer**

**March 18, 2015**

Vietnam's Prime Minister Nguyen Tan Dung will conclude his official visit to Australia at the invitation of Prime Minister Tony Abbott this evening.

According to the official joint communiqué issued after their discussions this morning, the two leaders witnessed the signing of the Declaration on Enhancing the Australia-Vietnam Comprehensive Partnership and agreed to establish a Strategic Partnership in the future.

In 2009, Australian Prime Minister Kevin Rudd nixed a strategic partnership with Vietnam. The two sides then agreed on a comprehensive partnership and a year later adopted a four-year Plan of Action (2010-13) to implement the new partnership.

According to the official draft of the "Declaration on Enhancing the Australia-Vietnam Comprehensive Partnership," the "Enhanced Comprehensive Partnership... reflects the current dynamics of our region and a more mature bilateral relationship. A second Plan of Acton will deliver new and refocused priority areas of cooperation."

The Declaration on Enhancing the Comprehensive Partnership is divided into five sections in addition to a preamble. The preamble declares:

*"Australia and Vietnam have mutual interests in regional security, stability, and economic growth. Both countries benefit from a secure and stable regional environment that respects sovereignty and international law. Both countries recognize there remain significant challenges to achieving a stable, peaceful and prosperous region."*

The preamble notes that Australia and Vietnam "will continue to work in partnership to shape the future of the region and broader global environment" through multilateral institutions such as the Association of Southeast Asian Nations (ASEAN), Asia-Pacific Economic Cooperation (APEC), and the East Asia Summit (EAS).

The preamble also commits Australia and Vietnam to implement the ASEAN-Australia-New Zealand Free Trade Agreement, and complete a "balanced and comprehensive Trans-Pacific Partnership Agreement (TPP) and the Regional Comprehensive Economic Partnership (RCEP)."

Section 1 of the joint declaration is the longest of the four sections and focuses exclusively on bilateral relations. Point 1.2, for example, commits both sides to

increase the “exchange of high-level visits and working-level dialogue between the Communist Party, Government and National Assembly of Vietnam and the Parties, Government and Parliament of Australia.”

Point 1.3 commits both sides “to engage in dialogue and cooperation on defense and security matters, navigation and aviation security and safety in the region, law enforcement and transnational crime.”

Point 1.4 addresses the issue of human rights and pledges continued support for the Australia-Vietnam Dialogue on International Organisations and Legal issues, Including Human Rights.

Points 1.5-1.9 address people-to-people linkages, the Vietnamese community in Australia, science and technology cooperation, education and training and legal cooperation, respectively.

Points 1.10 to 1.12 identify three new areas of cooperation: (1) food standards and safety, quarantine and agricultural research, (2) environmental protection and climate change, and (3) “finance, information and communication, natural resources and environment and consular matters.”

In Section 2, Regional and International Cooperation, Australia and Vietnam pledge to work together to develop the Indo-Pacific region’s multilateral architecture, including the East Asian Summit “as a Leader-led forum to discuss issues of common interest, including security, economic cooperation and development in the region.”

The joint communiqué states that the leaders shared a commitment to strengthen the strategic and security mandate of the East Asia Summit.

Point 2.4 directly addresses shared security concerns over territorial disputes in the South China Sea. Both parties agreed on “the importance of maintaining peace and stability in the region, and ensuring security, safety and freedom of navigation and aviation, in accordance with international law... without resorting to the threat or use of force.” This reflects a major Vietnamese concern and a convergence on interests between Hanoi and Canberra.

Point 2.4 also incorporated ASEAN boilerplate policy statement on the South China Sea:

*“Both countries call on all parties to exercise self-restraint and refrain from actions that could increase tensions in the region. Both countries agree on the urgent need to conclude a code of conduct for the South China Sea.”*

The joint communiqué reiterates these policy statements on the South China Sea.

Point 2.6 commits Australia and Vietnam to promote “sustainable development of the Mekong sub-region.”

Section 3 “Economic growth, trade and industry development,” encourages a greater role for the private sector in nineteen specific areas ranging from mining and energy to electronics and telecommunications. Both sides further agreed to exchange information on import and export regulations to reduce unnecessary duplication of controls.

Australia and Vietnam also gave their support for more open trade and investment through participation in the World Trade Organisation, APEC, Asia-Europe Meeting and the Cairns Group.

The joint communiqué announced that Australia's Minister for Trade and Investment would lead a trade delegation to Vietnam later in the year to promote further trade and investment.

Section 4 focused on development assistance and included an Australian pledge to support Vietnam in "its stated goal of becoming a basically modern orientated-industrial country by 2020" by assisting Vietnam "to implement its Socio-Economic Development Strategy (2011-2020), including through the three breakthrough areas of promoting human resources and skills development; improving market institutions; and infrastructure development."

Point 4.4 identified a new area of cooperation – economic diplomacy. Both sides agreed to implement economic diplomacy "through sharing experiences and capacity building activities."

Section 5, Defense, Law Enforcement and Security Ties, contained six points. Point 5.1 committed both sides to continue dialogue and cooperation on defense and security matters, including through the EAS, the annual Australia Vietnam Defense Ministers' Meetings, Australia Vietnam Strategic Dialogue, Australia-Vietnam Defense Cooperation Talks, and the Australia-Vietnam Defense 1.5 Track Dialogue.

Point 5.2 committed both parties to "foster greater openness and cooperation... through personnel exchanges, officer training, and ship visits... (and) exchange views on regional and security issues of mutual concern by maintaining a programme of regular consultations and visits at civilian official and military levels."

Under Point 5.3 Australia and Vietnam pledged to work together to advance shared security goals through the ASEAN Defense Ministers' Meeting Plus, the Expanded Maritime Forum and the ASEAN Regional Forum.

Point 5.4 committed both parties to work together in "aviation and maritime security, peacekeeping, counter-terrorism, special forces and war legacy issues."

During Prime Minister Dung's visit a Memorandum of Understanding on war legacy issues and a Memorandum of Understanding on Peacekeeping Cooperation were signed.

Point 5.5 dealt with cooperation to address "the significant and increasing threat of transnational crime (human trafficking, narcotics trafficking, money laundering and cyber crime)" through increased sharing of information and intelligence

Point 5.6 committed Australia and Vietnam to work bilaterally and through international fora to address "food insecurity, natural resource management, and the risk of disease, pandemics and natural disasters."

Under the 2009 Australia Vietnam Comprehensive Partnership bilateral relations have deepened and widened. Australia and Vietnam share a marked convergence of political, diplomatic, economic, development, and security and defense interests and concerns at a time of change in the geo-strategic environment.

Prime Minister's Dung visit to Australia provides a renewed impetus for the two countries to agree on a new Plan of Action to cover future years. The Enhanced Comprehensive Partnership demonstrates the wisdom of Vietnam's long-standing policy of "multilateralizing and diversifying" its external relations and proactively seeking international integration. The Enhanced Comprehensive Partnership also underscores that Australia, as a middle power, is a valuable contributor to regional security, stability, and economic growth not only in Southeast Asia but the Indo-Pacific region as well.

Suggested citation: Carlyle A. Thayer, "Australia-Vietnam to Forge Strategic Partnership," *Thayer Consultancy Background Brief*, March 18, 2015. 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.

Thayer Consultancy provides political analysis of current regional security issues and other research support to selected clients. Thayer Consultancy was officially registered as a small business in Australia in 2002.