Vietnam and the Russia-Ukraine War: Hanoi’s ‘Bamboo Diplomacy’ Pays Off but Challenges Remain

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EXECUTIVE SUMMARY

- Following Russia’s invasion of Ukraine in February 2022, Vietnam adopted an essentially neutral position in a thus-far largely successful effort to insulate itself from major power disputes arising from the conflict.

- Vietnam’s response to the Russia-Ukraine War has been conditioned by three factors: the importance of international law; the country’s historical relationship with Russia; and the need to defend its national interests.

- The Kremlin’s attack on Ukraine, and Western responses to it, have exacerbated Hanoi’s concerns about the reliability of Russia as a defence partner.

- To reduce its dependence on Russia, Hanoi has introduced a three-pronged strategy: retrofit existing Soviet/Russian kit; promote the development of a domestic arms industry; and diversify its arms imports.

- The strengthening of the Russia-China strategic nexus affects Vietnam more than any other Southeast Asian country. Hanoi is concerned that Beijing may use its leverage with Moscow to undermine Vietnam’s interests in the South China Sea.
INTRODUCTION

As Vietnam endeavours to navigate an increasingly contested international environment, the country’s leadership has taken pride in its multidirectional ‘bamboo diplomacy’. The idea, promoted by Communist Party of Vietnam (CPV) General-Secretary Nguyen Phu Trong since the mid-2010s, is that by balancing Vietnam’s relations with the major powers – never taking sides, being self-reliant and demonstrating flexibility – it can maintain its agency and interests, while taking advantage of economic opportunities created by major power competition.¹ In late 2023, in a major coup for its bamboo diplomacy, Vietnam hosted visits by both US President Joe Biden and Chinese President Xi Jinping.

Russia’s full-scale invasion of Ukraine in February 2022 was a stress test on Vietnam’s bamboo diplomacy. The Kremlin’s attack on Ukraine elevated tensions between Hanoi’s old partner Russia and its new partners in the West, as well as between the West and Vietnam’s traditional rival, China. In response to the invasion, Vietnam adopted an essentially neutral position so as to insulate itself from major power disputes arising from the war, preserve stable relations with all the main players and stakeholders, and defend its national interests.

While it can be argued that Hanoi’s response to the Russia-Ukraine War has been largely successful in achieving the CPV’s aims, the conflict poses mid-to-long challenges for Vietnam’s Soviet/Russian-centric armed forces and the government’s long-running dispute with Beijing in the South China Sea due to Russia’s growing dependence on its strategic partner, China.

VIETNAM’S RESPONSE TO RUSSIA’S INVASION

For some of Vietnam’s diplomatic elite, the outbreak of the war in Europe can be attributed to the catastrophic failure of the three main players’ foreign policies: the West, for provoking Russia through the eastward expansion of NATO, including the prospect of Ukrainian membership; Russia, for overplaying its hand in the post-Soviet space; and Ukraine, for its failure to address Russia’s legitimate security concerns and properly manage relations with its larger neighbour (which Hanoi considers it has done much more adeptly with China than Ukraine did with Russia).²

In the aftermath of the invasion, Hanoi adopted a neutral stance. Vietnam abstained on four of the UNGA resolutions condemning Russia’s attack on Ukraine — on 2 and 24 March 2022, 10 October 2022 and 23 February 2023 — and voted against the motion to remove Russia from the UN Human Rights Council on 7 April 2022. Unlike Singapore, it did not impose unilateral sanctions on Russia.

Vietnam’s response to the outbreak of the conflict was conditioned by three factors: principles, history and interests.

The Kremlin’s invasion was a clear violation of Ukraine’s sovereignty, independence and territorial integrity. Vietnam holds these principles to be sacrosanct because its own sovereignty, territorial integrity and independence have been violated by other countries in the
past, including France, Japan, the United States and China. Moreover, Hanoi continues to accuse Beijing of violating its sovereignty in the Paracel and Spratly Islands in the South China Sea.

On 2 March 2022, at the emergency session of the UNGA which had been called to discuss the conflict, Vietnam’s permanent representative, Ambassador Dang Hoang Giang, tried to thread the needle between the importance his country placed on international law and not condemning Russia by name. In his speech before the assembly, Dang stressed how the founders of the UN had enshrined “fundamental principles” in the Charter which had become the “foundation for contemporary international law and friendly relations and cooperation among nations”. Without mentioning Russia directly, he went on to say that “actions not in line with these principles continue to pose serious threats to international peace and security” and “challenge the very relevance and legitimacy of the UN”. Recalling his own country’s history, he argued that wars and conflicts “stem from obsolete doctrines of power politics, the ambition of domination and the imposition and the use of force in settling disputes”. Such disputes, he went on, should only be resolved by “peaceful means, based on the fundamental principles of international law and the UN Charter”. He reiterated the Vietnamese foreign ministry’s line that the “concerned parties” should exercise restraint, cease fighting, resume dialogue and respect international law.

Vietnam’s reluctance to condemn Moscow was due in part to its historical relationship with Russia. Military assistance from the Soviet Union was critical in the CPV’s victory over France and the United States in the First and Second Indochina Wars. During Vietnam’s occupation of Cambodia in the 1980s, the USSR provided Hanoi with vital military, economic and diplomatic support. CPV leaders remain deeply indebted to Moscow, and consistently expresses their gratitude when meeting their Russian counterparts. As Deputy Prime Minister Tran Hong Ha told his visiting Russian counterpart Dmitry Chernyshenko in April 2023, “Our relations have been through so many challenges, and is filled with loyalty and gratitude [emphasis added]. Vietnam will never forget the support of the Russian people.”

The third and most important factor which determined Vietnam’s response to the invasion was the need to protect the country’s national interests. Russia is not a major source of trade and investment for Vietnam, but it is an old friend and, as described later, an important source of military assistance and a valued partner in the country’s energy sector. As such, since the outbreak of the conflict, Vietnam has endeavoured to preserve cordial ties with Russia, hosting visits by senior Russian officials and even inviting President Vladimir Putin to visit the country.

But more important than keeping on good terms with Russia has been keeping on better terms with the United States, Europe and Japan, Vietnam’s most important trade and investment partners. As such, so far, Hanoi has not undertaken any actions that could be perceived as undermining Western sanctions, including restoring direct flights with Russia after the COVID-19 pandemic (the Russian airline Aeroflot uses both Boeing and Airbus aircraft). Nor did it agree to the Kremlin’s request to re-export Soviet/Russian-made military hardware, munitions and spare parts to replenish the Russian armed forces’ battlefield loses in Ukraine, as Vietnam’s ASEAN partner Myanmar has.
Between the two combatants, keeping Moscow onside was obviously Vietnam’s priority. But in keeping with its bamboo diplomacy, Hanoi has been careful not to offend Kyiv either. After all, Ukraine was once part of the Soviet Union, and therefore played a role in Vietnam’s wars of national liberation. Military equipment manufactured in Ukraine was transferred to North Vietnam; Ukrainian officers in the Soviet Red Army served as advisers to the Vietnam’s People’s Army (VPA); and Vietnamese troops learned to drive tanks at the Malyshev Factory in Kharkiv (scene of some of the heaviest fighting between Russian and Ukrainian forces in the first few months of the war). This shared history has led Vietnam to refrain from publicly criticising the government of President Volodymyr Zelenskyy for its perceived mishandling of relations with Russia. Moreover, there is clearly some empathy in Vietnam for Ukraine. In the first year of the war, the Vietnamese government provided humanitarian aid to Ukraine by donating US$500,000 to international relief organisations. Vingroup, Vietnam’s largest conglomerate, provided 135 tons of instant noodles to Kharkiv Regional State Administration. Several private educational institutions in Vietnam granted scholarships to Ukrainian students affected by the war. At the G7 summit in Hiroshima in May 2023 – to which Japan invited both Vietnam and Ukraine – Prime Minister Pham Minh Chinh made a point of meeting with President Zelenskyy. The state-run Vietnam News Agency reported that Chinh told Zelenskyy that Vietnam valued its relationship with Ukraine, and that on the issue of the ongoing conflict, Hanoi’s stance was to respect international law and the UN Charter. Tellingly, he added “As a country that has experienced many wars, Vietnam understands the value of peace”.

VIETNAM'S DEFENCE RELATIONS WITH RUSSIA

Since the early days of the Cold War, defence cooperation has been a central pillar of Vietnam-Russia relations. As noted earlier, Soviet (and Chinese) military assistance to the VPA was instrumental in Hanoi’s defeat of French and American forces. Post-Cold War, Vietnam continued to rely on Russia as its primary source of arms. Between 1995 and 2015, Vietnam bought US$5.68 billion worth of Russian arms, or 90 per cent of the country’s defence imports. Most of the VPA’s inventory today – including fighter aircraft, tanks, submarines and surface warships – consists of Soviet and Russia-manufactured kit.

Russia’s occupation of Crimea in 2014 was a turning point in Vietnam-Russia defence relations. Vietnam became concerned that Western sanctions and export controls targeting Russia’s defence industrial sector would affect the quality of Russian weapon systems and disrupt delivery schedules. Those concerns have been greatly exacerbated since the outbreak of the Russia-Ukraine War and the tightening of Western sanctions against Russia. Moreover, the Russian military’s lacklustre performance in Ukraine has unnerved the VPA’s senior leadership. If the Russians failed to defeat a weaker foe, how would the Russia-equipped and trained VPA fare against a much stronger opponent like China’s People’s Liberation Army? This point was underscored most recently when two Russian Navy Taruntul-class missile patrol boats were destroyed by Ukrainian drones in December 2023 and February 2024 respectively. The Vietnamese Navy operates 12 of these vessels.
Since 2014, Vietnam’s need to reduce its military dependency on Russia has been clear. But transitioning away from a major arms supplier is costly and time-consuming. Vietnam will therefore remain dependent on Russia’s defence sector for one or two more decades. To address the problem, Vietnam has implemented a three-pronged strategy: retrofit, indigenise and diversify.

The first prong is to retrofit existing Russian-made equipment to upgrade their capabilities with assistance from other countries that operate Soviet/Russian kit, including India and former Warsaw Pact members such as the Czech Republic.\(^{14}\)

The second prong is to support the development of an indigenous defence industry so Vietnam can reduce its dependence on other countries for retrofitting support and new acquisitions. Vietnam’s fledgling defence industry, led by state-owned entities such as the telecommunications company Viettel, now produces reconnaissance drones, radars, light arms and missiles.\(^{15}\) However, Vietnam is still decades away from self-sufficiency in the defence sector.

The third prong is to procure military hardware from countries other than Russia. In fact, Vietnam had already begun a gradual policy of arms diversification before 2014, making purchases from Israel, South Korea, France and Japan. But the Russia-Ukraine War has forced Vietnam to accelerate this policy. Hanoi will likely increase its defence partnership with South Korea and several European countries, including the UK and France. Buying arms from the United States, including fighter aircraft such as second-hand F-16s, remains a possibility, though a number of obstacles stand in the way of a closer US-Vietnamese defence relationship.\(^{16}\)

Despite the problems facing Russia’s defence industrial sector, a continued role for it in Vietnam’s defence procurement plans cannot be ruled out. The VPA leadership has grown comfortable with its decades-old relationship with Russia and is much less trusting of other countries, especially its former enemy the United States. Moreover, integrating non-Russian equipment with the VPA’s existing inventory will be problematic. In September 2023, it was reported that Vietnam and Russia had agreed to a US$8 billion arms deal using profits from their joint energy venture in Siberia.\(^{17}\) However, it remains to be seen whether Vietnam follows through with any big ticket purchases from Russia in the near future.

VIETNAM AND THE RUSSIA-CHINA NEXUS

The Russia-Ukraine War has strengthened the Sino-Russian strategic nexus. Moscow and Beijing share similar world views, especially the need to oppose US hegemony. It is not in China’s interests for Russia to lose the war nor see Western sanctions succeed. While Beijing has not explicitly endorsed Russia’s aggression, it has expressed empathy for Moscow’s rationales for launching the invasion, abstained on votes at the UNGA condemning Moscow, increased economic engagement with Russia and provided limited military assistance. However, the war has amplified the power asymmetry in Russia-China relations as Moscow’s political and economic dependence on Beijing has deepened. No other country in Southeast Asia is as affected by this dynamic as Vietnam. It has important implications for Vietnam’s
ongoing dispute with China in the South China Sea as well as its defence cooperation with Russia.

Russia has a significant stake in Vietnam’s oil and gas sector. Two state-run Russian energy companies, Zarubezhneft and Gazprom, are currently involved in upstream projects in Vietnam’s 200-nautical mile exclusive economic zone (EEZ). Vietsovpetro (VSP) – a joint venture established by the Soviet Union’s Zarubezhneft and Vietnam’s state-owned PetroVietnam in 1982 – has drilling projects in five offshore oil and gas fields in Vietnam. According to VSP, by the end of 2017, the company had produced 228 million tons of crude oil and 32.5 billion cubic metres of gas, generating revenues of US$77 billion, of which the Vietnamese government received US$48 billion. In 2010, the two companies agreed to extend cooperation until 2030. In 2021, Russia’s largest oil company, Rosneft, sold its interests in two energy fields in the Nam Con Son Basin to Zarubezhneft. Russia’s largest gas company, Gazprom, formed a joint venture with PetroVietnam in 1997, Vietgazprom (VGP), to develop offshore energy projects. These include the Hai Thach and Moc Tinh gas fields which in 2017 accounted for 21 per cent of Vietnam’s overall natural gas production.

Several of the energy blocks in which VSP and VGP operate fall within China’s nine-dash line. Beijing claims jurisdictional rights to maritime resources within that line including oil and gas reserves. In 2016, China rejected a UN-backed arbitral tribunal’s award which ruled the nine-dash line incompatible with the 1982 United Nations Convention on the Law of the Sea (UNCLOS) and therefore invalid. Russia does not recognise China’s nine-dash line but empathised with its decision to reject the 2016 arbitral tribunal ruling.

Beijing asserts its claims by using vessels from the China Coast Guard (CCG) and the maritime militia to harass survey ships and drilling rigs operating in Southeast Asian states’ EEZs which often overlap with the expansive nine-dash line. Despite tightening relations between Russia and China over the past decade, Beijing has not made an exception for vessels chartered by the Vietnam-Russia joint ventures. Over the past five years, for instance, CCG cutters, often accompanied by Chinese survey ships and fishing boats, have repeatedly intruded into Vietnam’s EEZ, on occasions passing very close to Russian-chartered drilling platforms resulting in a tense cat-and-mouse game between Vietnamese and Chinese coast guard ships. It was harassment by the CCG which led Rosneft to sell its interests in the Nam Con Son Basin to Zarubezhneft in 2021 in order to protect its commercial interests in China, the company’s largest single customer.

The purpose of China’s intimidation tactics is twofold. First, to create a hostile operating environment for foreign energy companies in the South China Sea, thus forcing them to end their commercial operations (as Repsol from Spain and Marudaba from the United Arab Emirates did in 2020, and Rosneft a year later). Second, to coerce the Southeast Asian claimants into cancelling contracts with foreign energy corporations and enter into new development projects with Chinese corporations.

Neither Vietnam nor Russia is willing to concede to China’s wishes. Indeed, in their 2021 Joint Statement on 2030 Vision for the Development of Viet Nam-Russia Relations, both countries pledged to strengthen cooperation between their oil and gas companies “in accordance with international law, including UNCLOS and Vietnamese and Russian domestic laws”.
Hanoi welcomes the participation of foreign energy companies in its upstream projects not only because they are a source of vital technical expertise and capital, but also because it is Vietnam’s sovereign right under UNCLOS to decide how the hydrocarbon reserves in its EEZ should be developed, and with whom.

Russia too places great importance on the continued operation of its energy companies in Vietnam’s EEZ. The joint ventures with PetroVietnam are highly profitable and generate an important revenue stream at a time when Russian oil and gas exports to Europe have been drastically cut following the imposition of EU sanctions. Moreover, were Russia to acquiesce to China’s demands and end its energy cooperation with Vietnam, it would suffer reputational damage in Vietnam and the rest of Southeast Asia. Regional states would likely conclude that Russia was China’s junior partner and subservient to Beijing’s interests in Southeast Asia. This would undermine Moscow’s claim that it acts as an independent pole in global politics.

Vietnam is concerned that as a result of Russia’s growing dependence on China, Beijing could use its leverage with Moscow to undermine Vietnamese interests. This would include increased pressure on the Kremlin to withdraw its state-owned energy companies from Vietnam’s EEZ and cease arms sales to the VPA, especially offensive weapons that could be used against China in a military confrontation in the South China Sea.

However, Vietnam assesses that in the short term the strengthening of Russia-China relations may not have a major impact on Vietnamese interests, for two reasons. First, China understands the economic and geopolitical importance of Russia’s operations in Vietnam’s EEZ and is willing to tolerate their continuation for a while longer for the sake of their strategic partnership. Moreover, the power dynamics in Sino-Russian relations are not yet so lopsided that Beijing can force Moscow to do its bidding. Second, China also understands that if it pushes Vietnam too hard, including via its relationship with Russia, it might force Hanoi into a closer relationship with the United States. Nevertheless, a stronger Sino-Russian strategic nexus poses medium to long-term challenges for Vietnam and provides an added incentive for Hanoi to reduce its military dependency on Russia.

ENDNOTES


2 Author interviews with senior retired Vietnamese diplomats, Hanoi, July 2023.


7 Author interviews with Vietnamese and Ukrainian diplomats, Hanoi, August 2023.

8 US$100,000 was donated to the Central Emergency Response Fund (CERF), US$100,000 to the World Health Organization (WHO), US$100,000 to the United Nations Children's Fund (UNICEF) and US$200,000 through the Red Cross Society. Information provided to the author by email by the Embassy of Ukraine, Hanoi, February 2023.

9 Ibid.


12 Author interviews with Western defence attaches, Hanoi, August 2023.


16 Ian Storey, “Will Vietnam Turn to Russia or America for Its New Jet Fighter?”, ISEAS Fulcrum, 5 February 2024, https://fulcrum.sg/will-vietnam-turn-to-russia-or-america-for-its-new-jet-fighter


In the negotiations between ASEAN and China for a Code of Conduct for the South China Sea, China introduced a provision in the first draft calling on the littoral states to cease cooperation with foreign energy companies in “disputed” waters. See Ian Storey, “The Code of Conduct for the South China Sea: Movement in lieu of Progress, ISEAS Fulcrum, 23 July 2023; https://fulcrum.sg/the-code-of-conduct-for-the-south-china-sea-movement-in-lieu-of-progress/


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