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Australia-Vietnam Relations: An Overview

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Abstract

Australia and Vietnam celebrated the 50th anniversary of their diplomatic relationship on February 26, 2023. Over the course of the past half-century, both countries have achieved some successes in various areas. Bilateral ties between Vietnam and Australia have developed considerably since the two countries established their diplomatic relations in 1973. In 2017, Hanoi and Canberra announced that the bilateral relationship would be lifted to a Strategic Partnership. In March 2018, Vietnam's Prime Minister Nguyen Xuan Phuc and Australian Prime Minister Malcolm Turnbull inked a Joint Statement on the establishment of a Strategic Partnership between Australia and Vietnam in Canberra. Direct flights between Vietnam and Australia, and the strategic partnership have further advanced the bilateral trade. In 2022, Australia was Vietnam's 7th largest trading partner while Vietnam became Australia's 10th largest trading partner for the first time with a total two-way trade value of almost \$16 billion. This article will explore their achievements in three main areas: defence and security; trade and investment; and education and people to people connections. It also points out the main factors driving Hanoi-Canberra bilateral relations.

Keywords: Australia, Vietnam, bilateral relations, geo-politics, economics, diplomatic.

1. Introduction

The scientific novelty of this paper is that it provides an insight into the involving relationship between Australia and Vietnam with a focus on three fronts: defence and security; trade and investment; and education and people to people connections. There has not been much literature in the scholarship of International Relations around how Vietnam and Australia have sought to broaden and deepen their ties. This paper gives a timely and critical analysis of new developments in Vietnam-Australia ties and holds that with a vision for a stable, peaceful, resilient, and prosperous Indo – Pacific region, Hanoi and Canberra would endeavour to lift their formal partnership to a new height. On February 26, Australia and Vietnam celebrated the 50th anniversary of their diplomatic ties. It has been 50 years since the establishment of relations between Australia and North Vietnam in February 1973. When Canberra sent a career diplomat, Bruce Woodberry, to Hanoi on July 28, 1973 to become a *chargé d'affaires* of the mission ([Australia to Open..., 1973](#)) both governments could never have thought that one day they would become strategic partners, and their relationship would mature into one of the most important in the Indo-Pacific region.

The diplomatic ties have risen to this strategic level because the two nations' leaders have had a strong political determination. Sharing a geo-strategic vision, they could overcome the challenges and barriers of the past to leverage opportunities to develop a special relationship as underlined in the then Australian Prime Minister Paul Keating's meeting with Vietnam's Secretary General

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Do Muoi in Canberra on 31 July 1995: “Australia wants more than a relationship with Vietnam: we want a partnership. One that reaches across a wide range of official business and people-to-people activities. One which grows out of a deeper understanding of each other's culture and society” (Keating Paul, 1995).

In September 2009, Vietnam-Australia regular partnership was lifted a comprehensive partnership during Secretary-General Nong Duc Manh's visit to Australia. “Comprehensive Partnership” In March 2018, Vietnam and Australia advanced their comprehensive partnership to strategic partnership, an important milestone in their diplomatic ties. Strategic Partnership.” With that, Vietnam became the fourth nation within ASEAN, (after Indonesia, Malaysia, and Singapore), with which Australia has established a strategic partnership. As strong partners with shared strategic interests in maintaining peace and stability in the Indo-Pacific region based on international law, Vietnam-Australia relationship has been growing fast in recent years expanding from defence and security; trade and investment; to education and people to people despite their differences in their political systems.

2. Results and discussion

Defence and Security

Australia-Vietnam formal defence relations were established in February 1998, with the opening of a Defence Attaché Office at the Australian Embassy in Hanoi in 1999 (Minh Vu, 2021). Vietnam's first Defence Attaché to Australia commenced in September 2000. Australia-Vietnam Defence Cooperation Program (\$4.1 million in 2021-22) focuses on five main areas: (i) peacekeeping, including cooperation on Women Peace and Security and support for Vietnam's deployment to the UN Mission to South Sudan; (ii) training and education, including English language training; (iii) counter-terrorism cooperation; (iv) maritime security, including annual ship visits; and (v) military medicine.

Australia also cooperates closely with Vietnam the regional forums such as in the ASEAN Regional Forum and ASEAN Defence Ministers' Meeting-Plus (Australian Department..., 2023; ASEAN Defence..., 2023).

Hanoi and Canberra shared mutual interests and understanding in the Indo-Pacific region, thus their defence and security ties continue to grow. In October 2010, Australia-Vietnam bilateral Memorandum of Understanding on Defence Cooperation was inked at the inaugural ASEAN Defence Ministers' Meeting Plus in Hanoi (Vietnamese Embassy..., 2023). Security Australia-Vietnam defence links were strengthened with a Joint Vision Statement on Further Defence Cooperation in 2018.

On 19 March 2013, the very first meeting between Australian and Vietnamese Defence Ministers was held in Canberra. The most recent inaugural Defence High Level Meeting was held in Hanoi in 25 November 2022. At this meeting, Australia's Deputy Prime Minister and Minister for Defence, Richard Marles reaffirmed Australian commitment to an open, inclusive, and resilient region, where all nations are able to exercise their sovereignty free from coercion. Vietnam's Minister of National Defence, General Phan Van Giang highly valued Australia's support to Vietnam in the defence industry, and expecting further cooperation between the two countries in military medicine, military training, addressing wartime consequences (Minh Vu, 2022).

It should be noted that both sides have strived to build their defence relationship. Since 2012, an annual joint Foreign Affairs and Defence Australia-Vietnam Strategic Dialogue at Deputy-Secretary/Vice-Minister level has been held. The seventh round of the Dialogue in December 2019 took place in Australia. Both sides also conduct annual Australia-Vietnam Defence Cooperation Talks, a Defence Policy Dialogue, and a 1.5 Track Dialogue. Since 2018, an Australia-Vietnam security dialogue at the Deputy Secretary/Vice-Minister level have been held annually.

Apart from that, Australia and Vietnam have a longstanding cooperation on immigration, border security and law enforcement. Australia and Vietnam have also bolstered coordination on operations across all transnational crime types, namely child exploitation, money laundering, narcotics, and human trafficking.

The Australian Federal Police has been present in Vietnam for over 20 years and maintains Law Enforcement Offices in Hanoi and Ho Chi Minh City. The Australian Federal Police and Vietnam's Ministry of Public Security maintain the Joint Transnational Crime Centre in Ho Chi Minh City.

Australia, in partnership with Vietnam's Ministry of Public Security and RMIT University, delivered such programs as the Asia Region Law Enforcement Management Program (Australian

Federal Police) and the Border Control and Management Program (Australian Department of Home Affairs) which aimed to strengthen regional cooperation of the relevant agencies.

Additionally, Australia has supported Vietnam to deploy its peacekeeping forces to the United Nations Mission in South Sudan. Since 1999, Australian Royal naval ships have paid annual port visits to Vietnam. Especially, two Australian Navy ships, HMAS Canberra and HMAS Newcastle visited Cam Ranh International Port in Khanh Hoa province in May 2019.

The last but not the least important factor lies in the trends and developments in international relations in the region and the world. It goes without saying that the rising competition between major powers in the Indo-Pacific region, including China's coercion and violations of international law in the South China Sea over the past two decades, are among the forces drawing Vietnam and Australia closer together.

Trade and Investment

Trade and investment have proved to be a priority in Australia-Vietnam relationship. When Vietnam opened its doors for foreign investment in the late 1980s, Australia was always in the top five investors in Vietnam. Australian investment in Vietnam was totalled at \$300 million in 1990. By 2018, this figure has increased to \$2 billion, allocated among 458 active projects. Also, Vietnam has had more than 50 direct investment projects worth \$247 million in Australia. Bilateral trade also saw remarkable progress during this period. In 1988, two-way trade volume was only \$ 8 million, but in 2017 it had risen up to nearly \$10.1 billion. Vietnam was Australia's 15th largest trading partner while Australia was Vietnam's 7th largest trading partner.

Australia-Vietnam Enhanced Economic Engagement Strategy was launched on 1 November 2021, the Strategy supports two nations' desire to become top ten trading partners and doubling two-way investment ([Department of Foreign..., 2021](#)).

The Strategy presents a comprehensive approach to reach the two countries' enormous potential in their economic relationship. It was informed by close consultation with industry, research institutions and government in Vietnam and Australia. It is noted that it is the first economic strategy Canberra has developed in partnership with another country.

Australia's total two-way trade with Vietnam in 2021 reached \$17.9 billion. Despite the pandemic, Australian exports of goods and services to Vietnam rose to \$10.8 billion in 2021 from \$8.0 billion in 2020, an increase of 36 per cent. This made Vietnam the tenth largest export destination for Australia ([Australian Department..., 2020](#)).

In 2022, Vietnam emerged to become Australia's 10th largest trading partner for the first time, while Australia remained Vietnam's 7th largest trading partner ([Government News, 2022](#)). The two-way trade was almost \$16 billion ([Australian Embassy..., 2023](#)). Also, Australia has always been one of the largest providers of foreign development assistance to Vietnam, with millions of dollars per annum since Vietnam's renovation reforms in 1986.

Vietnam is one of the fastest growing economies in the Indo-Pacific region. Vietnamese economy has been driven by export-oriented manufacturing, foreign direct investment and increasingly strong domestic demand. While the COVID-19 pandemic has slowed Vietnam's economic development, Vietnam recorded 5.5 per cent GDP growth in 2022. Vietnam has a commitment to global economic integration and trade liberalisation through participation in APEC, ASEAN, the World Trade Organization and an number of free trade agreements, namely the Agreement Establishing the ASEAN-Australia-New Zealand Free Trade Area (AANZFTA), the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP) and the Regional Comprehensive Economic Partnership Agreement (RCEP). Vietnam is also a member of the Cairns Group of agricultural exporting countries.

Vietnam's strong economic growth, a shift towards a market economy, and growing middle-class have increased demand for imported goods. This provides great opportunities for Australian exporters of energy, consumer goods, agriculture products, machinery, education and training services ([Australian Trade..., 2023](#)).

Education and People to People Connections

Education and training has played an important role in advancing Australia-Vietnam bilateral relations. As one of the leading foreign education markets for Vietnamese students, in 2015 Australia educational institutions recorded over 20,000 enrolments from Vietnamese students. Over the years, Australia has become a more popular education destination for Vietnamese students, with 26,050 Vietnamese students in Australia in 2019 ([Australian](#)

[Department..., 2023](#)). This increased to more than 30,000 in 2022. By May 2022, it was estimated that there were up to 70,000 Australian alumni in Vietnam.

Meanwhile, Vietnam has become a popular destination for New Colombo Plan students, with 4,568 students awarded New Colombo scholarships in Vietnam since 2014 (comprising 4,552 mobility students and 16 scholars), broadening and deepening their knowledge of Vietnam, its culture and ways of doing business ([Department of Foreign..., 2023](#)). In 2020, 677 Australian students from 22 Australian universities arrived in Vietnam to study and gain work-based experiences through 47 different projects ([Vietnam Net, 2020](#)).

Importantly, Australia and Vietnam have collaborated on many education and training initiatives including in quality assurance, qualification recognition and vocational education; facilitating institution-to-institution partnerships. As Vietnam is the fifth source of foreign students for Australia, the two countries have supported vibrant Australian alumni associations. The two nations signed the first Memorandum of Understanding on Cooperation in Education and Training in 1994, renewed in October 2013. Under the Memorandum of Understanding, there is a Joint Working Group on Education and Training.

Australia and Vietnam have agreed to establish the Vietnam-Australia Centre at the Ho Chi Minh National Academy of Politics in Hanoi to further advance their cooperation in knowledge and innovation. The Centre will draw on Australian expertise to support Vietnam's future leadership, while enabling Vietnam and Australia to exchange views and work together on shared national and regional challenges and deepen people-to-people and institutional connections. It will enable influential Vietnamese and Australian leaders, government officials, experts and academics to meet and discuss issues or topics that both governments are interested in.

The Aus4Innovation funded through Australia's development program to Vietnam, Australia and Vietnam have fostered cooperation in technology and digital transformation, and enhancing Vietnamese capability in digital foresight, scenario planning, commercialisation, and innovation policy ([Aus4Innovation, 2023](#)). Aus4Innovation is a collaboration between the Department of Foreign Affairs and Trade, and Vietnam's Ministry of Science and Technology.

Along with positive developments in education and training, Vietnam and Australia have made concerted efforts to tighten the linkages between the two peoples. Australian and Vietnamese peoples continue to advance their interactions and mutual understanding through tourism, business, education and volunteering. Vietnam is Australia's 11th most popular destination for short-term holiday. As at March 2020, 311,400 Australian residents returned from Vietnam, annual growth of 6.9 per cent. In the 2016 Census, Vietnamese was the fifth most common language spoken at home in Australia (1.2 per cent of the total population) ([Department of Foreign..., 2021](#)).

Another vital contribution can come from the 300,000 people of Vietnamese origin living in Australia. It is their children that are often most likely to seek out their ethnic roots and forge commercial collaborations. The Vietnamese diaspora should be encouraged to play a more active role, shelving the past, and embracing contemporary opportunity, without abandoning advocacy for a more liberal and open Vietnam ([Greenlees, Narayanamurti, 2022](#)).

3. Conclusion

Australia and Vietnam have developed a strong partnership with shared strategic interests in maintaining peace and stability in the Indo-Pacific region based on international law. This has been complemented by their bilateral trade, investment relationship, and their expanding educational and people connections. There have been some main factors that enable the two countries to progress from "friends to mates" over the half century. The most significant one is the strategic vision and political endeavour to overcome the past to collaborate with each other and achieve mutual benefits in the changing geo-political landscape of the Indo-Pacific, a region which has been witnessing the quest for power. Australia realised Vietnam's geo-strategic role in the region and Vietnam also saw the significance of its bilateral diplomatic ties with Australia to Vietnamese economy and strategic position.

The second factor is the congruence of core interests, and shared views on the need to maintain peace and security in the region and the world. Both sides know that they have common long-term interest when advancing the partnership in the areas of defence and security, trade and investment, education and people to people. Thus, these have developed as the three main pillars in the Australia-Vietnam bilateral relationship.

Last but not least, China's coercion in the South China Sea has brought Australia and Vietnam close to each other. Hanoi and Canberra have deeply concerned about China's military actions in the South China Sea and underlined their cooperation in maintaining peace, stability, security, safety and freedom of navigation and overflight in the region.

With 50 years of cooperation, the past and current generations of leaders have developed a high level of political trust in their bilateral ties. The next 50 years of the Australia – Vietnam relationship will depend on a variety of factors, however, it is certain that the scope of cooperation between Australia – middle power and Vietnam an emerging middle power would not be limited as their strategic interests are congruent.

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УДК 33

Отношения между Австралией и Вьетнамом: обзор

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Аннотация. 26 февраля 2023 года Австралия и Вьетнам отметили 50-летие установления дипломатических отношений. За последние 50 лет обе страны добились определенных успехов в различных областях. Двусторонние связи между Вьетнамом и Австралией значительно развились с тех пор, как государства установили дипломатические отношения в 1973 году. В 2017 году Ханой и Канберра объявили, что двусторонние отношения будут подняты до уровня стратегического партнерства. В марте 2018 года премьер-министр Вьетнама Нгуен Суан Фук и премьер-министр Австралии Малкольм Тернбулл подписали в Канберре Совместное заявление о создании стратегического партнерства между Австралией и Вьетнамом. Прямые рейсы между Вьетнамом и Австралией и стратегическое партнерство оказали влияние на продвижение двусторонней торговли. В 2022 году Австралия стала 7-м крупнейшим торговым партнером Вьетнама, а Вьетнам впервые 10-м крупнейшим торговым партнером Австралии с общей торговый оборотом почти в 16 млрд долларов. В статье рассмотрены совместные достижения в трех основных областях: оборона и безопасность; торговля и инвестиции; образование и кооперации. Также выявляются основные факторы, влияющие на двусторонние отношения между Ханоем и Канберрой.

Ключевые слова: Австралия, Вьетнам, двусторонние отношения, геополитика, экономика, дипломатия.

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