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Thailand-Viet Nam at 45: Greater Cooperation and Competition

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No bilateral ties between Thailand and other Southeast Asian countries are more dynamic and richer in historical anecdotes than its relations with Viet Nam. There were good days and bad days. President Ho Chi Minh, or Uncle Ho as he was known over here, prepared to fight for his country's independence when he was in Isaan from 1928-1929. Although Siam, former name of Thailand, provided assistance to national liberation movements from all over Southeast Asian countries back in 1920s-1930s, only Uncle Ho's experience and struggle for independence has become a history to be told and study along with a monument at his former home in Baan Najok, Nakhon Phanom for all to see.

During the Cold War, the two countries went through hell and came back stronger. In the years that followed, they emerged as new and great friends ready to face fresh challenges from the shifting strategic environment in the region and the world at large. From now on, sensing the

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importance of common stands and cooperation, they upgraded their ties in 2019 to “strengthened strategic partner”, the only such entitlement in the world.

Of late, Viet Nam has been featured in the Thai media and in discussions among policy makers and political pundits as the country with the greatest potential to beat Thailand in the future, if not now, both in terms of stability and economic competitiveness. Moreover, Viet Nam’s reputation for its effective control of COVID-19 as well as its world-wide free trade connections has made this country a game changer in all dimensions.

Given this backdrop, the leaders from Thailand and Viet Nam have been eager to hold their fourth joint Cabinet retreat last year only to be forced to postpone it due to COVID-19. Prime Minister Prayut Chan-o-cha is hoping to meet face to face with new Vietnamese Prime Minister Pham Minh Chinh either later this year or early next year in Viet Nam.

As succeeding ASEAN chairs in 2019 and 2020, the two countries worked in tandem to promote ASEAN centrality and cohesion. As advocates of free trade and through close consultation and collaboration, ASEAN and its dialogue partners (China, Japan, South Korea, New Zealand and Australia) were able to conclude the world’s largest free trade pact, Regional Comprehensive Economic Cooperation. The list of successes also includes the COVID-19 ASEAN Comprehensive Recovery Framework and the COVID-19 ASEAN Response Fund.

In the coming years, their joint efforts will again be tested in terms of their ability to further drive forwards the reinvigorated sub-regional framework known as the Ayeyawady-Chao Phraya-Mekong Economic Cooperation Strategy or ACMECS along with other lower riparian countries. Other countries are also interested in the Mekong subregion due to its rich biodiversity and strategic value. It is therefore incumbent on both countries to forge closer ties to protect the Mekong River

against any hegemonic trend from abroad. More than a dozen countries have development plans related to the subregion.

Over the past decades, Thailand-Viet Nam trade and investment surged in the most incredible way. The kingdom is now Viet Nam's largest trading partner in ASEAN. According to the Ministry of Commerce, between 2015 and 2019 bilateral trade turnover yielded an average growth of 8.1 percent per year. Last year, hampered by the pandemic, two-way trade dropped to US\$16 billion, accounting for 30 percent of total trade turnover between Viet Nam and the ASEAN countries.

But both sides are still committed to reaching the joint target of US\$25 billion in 2025. Indeed, Thai ambassador to Viet Nam, Nikorndej Balankura, told Voice of Viet Nam recently that he was confident that the target volume could be met and further increase if both sides find innovative ways to promote through digital commerce and new production chains in the post COVID-19 era.

Local investors have migrated to Viet Nam in key areas such as oil, industrial parks and the retail business in Viet Nam. Among the major investors are Central Group, Amata Group, ThaiBev Group, SCG Group, CP Group and Berli Jucker, among others. The Central Group has invested in a variety of business activities in Viet Nam ranging from electronics, sports, fashion, shopping centres and hotels to e-commerce and supermarkets. The group currently operates 133 supermarkets in Viet Nam. Last year, Thailand was among the top ten foreign investors in Viet Nam with more than US\$12.3 billion.

To further promote bilateral trade, the Thai Embassy in Hanoi recently held a series of trade activities including hosting the Top Thai Brands Hanoi 2021 event. At the four-day event, more than 30 online booths were in place to allow both Thai and Vietnamese importers and exporters to

enter into business deals. In addition, there were 60 extra on-site booths displaying quality Thai products.

At the moment, there are more than 100,000 Thai people of Vietnamese parentage living in all parts of Thailand. They would serve as bridges for the two peoples. Hanoi and Ho Chi Minh are home to around 1,000 and 500 Thais respectively. Another 1,000 have settled in major cities where they are conducting business.

Furthermore, to strengthen the people-to-people relations, there are 13 pairs of Thai and Vietnamese sister cities. The numbers are expected to double in the next five years. This channel has helped to facilitate more business and investment while also deepening cultural and sports exchanges and tourism. In recent years, Vietnamese fruits and consumable goods such as fresh dragon fruit and freeze-dried fruit varieties, yoghurt and Vietnamese sausages have become popular in Thailand. The Thai side will help to distribute these products to reduce existing trade deficits with Thailand. More and more young people from both countries are travelling more due to widely available budget airlines connecting major tourist spots.

At a recent webinar to commemorate the 45th anniversary of Thailand-Viet Nam relations cohosted by Chulalongkorn University's Institute of Security and International Studies and Viet Nam's Academy of Social Science's Institute of Southeast Asian Studies, experts from both sides concluded that there are new areas of cooperation to be explored such as research and co-production of vaccines, promotion of tourism cooperation and of sustainable development based on the sufficiency economy philosophy. The two will also work together to promote Mekong-centric identity and norms and to empower ASEAN and its members to engage and balance the role of the great powers, not siding with anyone.

Looking ahead, the two countries can learn much from each other, especially in their engagement with world's superpowers, the US and China. At this juncture, Viet Nam has become a high-value frontline state, a virtual ally, of the US global strategy while its fraternal ties with China's Communist Party remain unshakable. Meanwhile, Thailand is one of the five US alliances in the Indo-Pacific but the country also has excellent ties with China.

The two countries' unique relations mean they can work together to help the US and China find common ground and turn their confrontation into cooperation. Such endeavours would take the Thailand-Viet Nam relationship to an even higher level.