



## Centre for Air Power Studies

### THE STRATEGIC MATRIX OF THE US-VIETNAM PEACEFUL NUCLEAR COOPERATION AGREEMENT

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Peaceful nuclear cooperation between states conveys meaningful gestures. It could be viewed as way of strategic signaling. One year back the US-Iran nuclear negotiations were initiated to curb Iran's nuclear programme; surprisingly, around the same time the officials from the US government had began talking 'peaceful nuclear cooperation agreement' with the Vietnamese government. Especially since 2013, there appears an upward trend in the US-Vietnam relations. The US department of State itself views the bilateral relationship as getting *increasingly cooperative*.<sup>1</sup>

In 2013, during his visit to Vietnam, Secretary Kerry had specifically identified four areas as significant for bilateral cooperation: a) education b) trade c) climate change and d) strengthening of regional security. Also, in the same year, the US-Vietnam comprehensive partnership was launched with an aim to bolster the bilateral relationship. Under this framework, the US peaceful nuclear cooperation to Vietnam was declared. Clearly, it is an attempt to further cement the US-Vietnam ties.

Additionally, Washington is also grooming Hanoi towards an ongoing transition to a market based economy. In-fact last month (September 2014), the US- Vietnam Trans Pacific Partnership, negotiation had begun, through which Vietnam expects to improve its economic competitiveness, reduce its reliance on China.<sup>2</sup>

The US- Vietnam economic engagement too was deepened last year with the first ever US-Vietnam private sector agreement on Comprehensive Energy Partnership under a \$500 million memorandum of understanding executed between the Export-Import Bank of

the United States and the Vietnam Development Bank. It must be noted that, 40 percent of the Vietnamese population is less than 25 years of age, having a huge potential for the economy of the country in the near foreseeable future.

The US is also assisting Vietnam in the realm of sustainable energy in the Mekong delta which is known as the rice bowl of Vietnam. It is noteworthy that the Delta greatly contributes in addressing the issue of food security of the country. In 2013, the Delta produced some 44 million metric tons of rice for half the country's population. The delta produces 90 percent of the rice for Vietnam's rice exports making Vietnam one of the top global rice producers.<sup>3</sup>

Within the first year of its announcement, the comprehensive partnership between the two is getting strengthened. Hanoi has also agreed to join the American multilateral initiative to combat the spread of WMD by joining the Proliferation Security Initiative (PSI) aimed at keeping a check on the military threat in the region.

Among several other things, the US has already announced close to \$ 32.5 million assistance including fast patrol vessels for coastguards. This endeavor was directed towards the enhancement of policing and monitoring capabilities of Vietnam's maritime boundary. Indeed the US plans to seal the security of the Vietnam's territorial waters. Already, the Chinese claims in the South China Sea have been viewed by the US as worrisome and it is strongly opposed to Beijing's coercive tactics for advancing its territorial claims. According to the US official statement, this comprehensive partnership underscores America's Asia-Pacific rebalancing commitment

Last year, Secretary Kerry had discussed his deep concerns on the unilateral actions by Beijing specifically over the South China Sea region. Similarly, on China's announcement of the East China Sea Air Defense Identification Zone (ADIZ) the US also conveyed its non-recognition and expressed explicitly that it would not alter the American military posture pertaining to this region.

On 06 October 2014, the US-Vietnam peaceful nuclear cooperation agreement came into force. With this, Vietnam has opened up to the US nuclear energy industry at a time when global nuclear energy market is getting highly competitive.

The Vice President for policy, development, planning of America's leading nuclear lobby group, Nuclear Energy Institute (NEI), Richard Myers said few days ago that, "*... with this agreement in place, the US companies can now compete on a more even playing field, as the market in Vietnam is estimated to be worth as much as \$20 billion.,*" The civilian nuclear cooperation agreement was also described by him as a key part of a necessary effort to ensure the American participation in the global nuclear energy market. Moreover according to the US department of commerce, the US companies can acquire 50,000 high-paying US jobs and ensure a US presence and influence in a critical industry.<sup>4</sup>

The 123 agreement between the two countries is aimed at exporting nuclear reactor, research information, material and equipment to Vietnam. Interestingly, through this deal Hanoi has also declared its intent to only rely on international markets for the uranium fuel supplies and letting go of its desire for pursuing uranium enrichment indigenously in the long run.

Last year when the civilian nuclear deal talks were initiated, the proponents of US non-proliferation such as Henry Sokoloski and former official of the US NRC, Victor Gilinsky argued for exercising caution. Both stressed Hanoi's inadequacy in nuclear safety, and its commitment instead of a legal obligation towards non engagement in worrisome nuclear fuel making activities. They both called for US Administration to demand tighter non-proliferation control as this might impact future civilian nuclear negotiations of the United States.<sup>5</sup>

In the last few years, both countries have signed a MoU advancing bilateral defense cooperation. In-fact, this month itself along with the civilian nuclear deal, the US has partially eased its decades long ban on the lethal weapons sales to Vietnam. This would allow a transfer of maritime security-related hardware to Hanoi.

Vietnam occupies an important location in the western border of the South China Sea, as a contestant of the Chinese core interest. In the US pivot towards Asia, the promotion of US-Vietnam relations ties into comprehensive “strategic” partners. The US-Vietnam relations have moved from non recognition of each other to Vietnam as an emerging US ally. Today the US-Vietnam trade has grown fifty times since the relations were normalized. Although the US Vietnam relations were normalized since 1995, today the country figures prominently in the US counterbalancing strategy in the Asia Pacific aimed at containing China. Even though the US Department of State refrains from labeling the ‘US-Vietnam Comprehensive Partnership’ as a strategic partnership, the growing scope of the bilateral relationship clearly demonstrates US-Vietnam as a strategic alliance.

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Under the backdrop of executing its Asia- Pacific pivot strategy, the United States has provided civilian nuclear cooperation to Vietnam. As a part of a neatly crafted strategy, the US has also advanced three strategic gains from this nuclear cooperation. First, strengthening of the bilateral alliance; second, strengthening of a non-proliferation commitment from an NPT country; third, nuclear power exports for the US Nuclear Energy Industry.

***(Disclaimer: The views and opinions expressed in this article are those of the author and do not necessarily reflect the position of the Centre for Air Power Studies [CAPS])***

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## End Notes

<sup>1</sup> US Relations with Vietnam, Bureau of East Asian and Pacific Affairs, Fact Sheet, February 14, 2014, Available at <http://www.state.gov/r/pa/ei/bgn/4130.htm>, Accessed on 14 October 2014.

<sup>2</sup> Truong-Minh Vu and Nguyen Thanh Trung , 09 October 2014, Available at <http://www.internationalpolicydigest.org/2014/10/03/u-s-vietnam-alliance-or-u-s-china-vietnam-triangle/>, Accessed on 18 October 2014.

<sup>3</sup> Over 291 mln USD used on crop protection in Vietnam's Mekong Delta in H1: , 09 October 2014, Available at <http://www.globalpost.com/dispatch/news/xinhua-news-agency/141009/over-291-mln-usd-used-crop-protection-vietnams-mekong-delta->, Accessed on 18 October 2014.

<sup>4</sup> USA-Vietnam nuclear accord takes effect, World Nuclear News, 06 October 2014, Available at <http://www.world-nuclear-news.org/NP-USA-Vietnam-nuclear-accord-takes-effect-06101401.html>, Accessed on 14 October 2014.

<sup>5</sup>Victor Gilinsky & Henry Sokolski , 22 October 2013, The U.S.-Vietnam Nuclear Deal, Any Nuclear-Cooperation Deal Must Meet The Nonproliferation Gold Standard, Available at <http://www.nationalreview.com/article/361860/us-vietnam-nuclear-deal-victor-gilinsky-henry-sokolski>, Accessed on 14 October 2014.

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