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VIETNAM'S EAST SEA STRATEGY

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ANALYSIS

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Abstract

Disputes in the East Sea have recently regained attention as China laid territorial claims of the nine-dash line that covers the majority of the East Sea area. Rising tensions between China and other maritime states of Southeast Asia are threatening maritime security as well as peace and cooperation in the region. As a coastal country in the East Sea region, Vietnam is facing great challenges from China's claims.

In response to these challenges, Vietnam has developed a maritime strategy, along with a maritime economy plan, aiming to resolutely protect its sovereignty in the East Sea in accordance with the provisions of the United Nations International Convention on the Law of the Sea. These strategies also aim to maintain peace and stability in the region. This is also supported by other nations, demonstrated in the cooperation agreements and projects between Vietnam and various countries in the Indo-Pacific.

1. Introduction: Vietnam's interests in the East Sea

The East Sea is a marginal sea in the Western Pacific Ocean bordered by a number of countries, including China, the Philippines, Indonesia, Brunei, Taiwan and Vietnam. Overlapping territorial claims have led to disputes between the littoral states for centuries. Today, the disputes seem to reach a new level of escalation when China officially declared its sovereignty claim of the U-shaped 'nine-dash line' in 2009, which covers about 90% of these waters (Srijan Shukla, 2020), seriously violating the sovereignty of other countries. In addition, China takes tough measures against other countries protecting their sovereignty and interests. In this context, Vietnam has established its own East Sea Strategy – on the one hand, to develop its maritime economy and on the other, to safeguard national interests while seeking solutions to settle disputes through peaceful means based on international law.

This paper focuses on current territorial disputes in the East Sea between Vietnam and other actors and Vietnam's East Sea Strategy to handle the disputes and to protect its national interests.

1.1 Sovereignty

Vietnam is a coastal country and thus maritime rights are part of its national sovereignty. The United Nations Convention on the Law of the Sea 1982 (UNCLOS) is an international legal document underlying which coastal states have the right to declare their national sovereignty over the contiguous sea area. UNCLOS allows coastal states to claim an area of international waters, which include a 12-nautical-mile territorial sea, with an exclusive economic zone of 200 nautical miles, and a continental shelf at least 200 nautical miles wide. Vietnam became a member of UNCLOS in 1994, and based on the provisions of UNCLOS 1982, ratified and enacted the Law of the Sea in 2012. The Law provides a legal basis for determining Vietnam's sovereign zones in the sea.

With a geographical structure narrowing in the width and extending from north to south, and a coastline of 3,200 kilometres long, according to the provisions of UNCLOS 1982, Vietnam has a sea area and continental shelf of approximately one million square kilometres, about three times larger than the land area (Le Cuong, 2011). This brings along potential to serve economic development and safeguard Vietnam's maritime claims.

Vietnam has utilised the East Sea well to serve the economy with its contribution of about 10% to the country's GDP (Bộ Tài nguyên, 2020) while still fulfilling their obligations in the implementation of freedom of navigation in the region. Despite exercising its rights and obligations under the 1982 UNCLoS framework, Vietnam has faced many challenges in the East Sea. These challenges include China's excessive territorial claims in the East Sea as expressed through the nine-dash line, which violates Vietnam's sovereignty; as well as China's deployment of oil and gas exploration ships in Vietnam's continental shelf while continuously preventing Vietnam's lawful execution of their rights.

1.2 Economic benefit

The East Sea has a great potential for Vietnam's economic development. From an economic perspective, the East Sea is an important source of oil and gas, minerals and seafood, facilitating the development of key economic sectors and a gateway to trade with other economies. Marine fish reserves in Vietnam's waters are estimated at five million tons, with current fishing capacity at approximately 2.3 million tons per year. Abundant seafood supplies have made Vietnam's seafood industry one of the main export industries, with export turnover ranking third among economic sectors. Currently, Vietnam has about 370,000 hectares of coastal water surface area for saltwater aquaculture and more than 500,000 hectares of coastal lagoons to serve the development of aquaculture and special maritime seafood (Bich Nguyen, 2018).

Furthermore, oil reserves in the continental shelves serve as a part of Vietnam's energy security. Areas with large oil reserves include the continental shelf of the Truong Sa and Hoang Sa archipelagos and the Gulf of Tonkin (Pham Binh, 2021). According to the Vietnam Oil and Gas Corporation, the total oil and gas reserves discovered in the continental shelf of Vietnam are over 1.5 billion cubic meters, with about 734 million cubic meters of oil and 783 billion cubic meters of gas. In addition, on the continental shelf and exclusive economic zone, there are many unexplored structures, which may have great potential for oil and gas (PetroVietnam, 2021). The East Sea also has great potential for developing the maritime industry, tourism and many other economic activities.

2. Disputes in the East Sea

2.1 Historical disputes and conflicts between Vietnam and China

Disputes over territorial sovereignty in Paracel and Spratly Islands:

The Paracel Islands are located about 200 nautical miles off the central coast of Vietnam. Historically, Vietnam has had an extended period in managing and exercising its sovereignty over the Hoang Sa archipelago. However, in 1974, China used force to retake all the islands in the Paracel archipelago despite Vietnam's firm affirmations regarding their sovereign rights. Vietnam provided historical evidence of their exercise of sovereignty over these islands including geographical maps published by feudalistic dynasties of Vietnam, documents transferring sovereignty from France to Vietnam, and documents exercising Vietnam's sovereignty before China deprive it from Vietnam. However, China continued to claim its sovereignty, occupying the islands and rejecting Vietnam's claim.

Figure 1 | Map of Paracel and Spratly Islands and China's territorial claims



Source: IILSS, 2021

Similarly, in 1988, China used force to seize some islands in the Spratly area from Vietnam. However, Vietnam has also provided evidence of its jurisdiction right over the islands by previous feudal dynasties as well as of the Southern Vietnamese governments in the past and current administration. The dispute in this region extends to the territorial dispute between China and the Philippines between 1995 and 1998, where China also used force to retake some of the islands occupied by the Philippines. On the islands that China captured from Vietnam and the Philippines, China has now reclaimed them into artificial islands and used them as its military outposts.

Disputes over continental shelf:

The sea contiguous zone between Vietnam and China includes two areas: the mouth of the Gulf of Tonkin, and the East Sea area. In 2000, Vietnam and China signed the Gulf of Tonkin Delimitation Agreement, and the two sides are currently negotiating to complete the demarcation. Thus, it can be said that Vietnam and China currently do not have a dispute at the mouth of the Gulf of Tonkin. However, the situation significantly differs for the waters outside the Gulf of Tonkin, which is the East Sea area where there is a significant dispute over sovereignty over the waters and continental shelf.

According to the provisions of UNCLOS 1982, there are numerous overlaps between the sovereignty of Vietnam and China that require consultation and negotiation. However, the seriousness of the sovereignty dispute in this area between China and Vietnam (as well as between China and related countries) is in China's claim of sovereignty along the nine-dash line, which violates the provisions of UNCLOS 1982. China officially claimed sovereignty along the nine-dash line in 2009 by sending a sovereignty claim notice to the United Nations, but this claim was immediately rejected by Vietnam and many countries (Koya, 2020).

The point at issue of China's claim in the East Sea is that this claim is hardly based on the provisions of UNCLOS 1982, and far beyond the sovereignty allowed to be declared according to the UNCLOS 1982. China's claim, in fact, infringed on Vietnam's maritime area as it encroached deeply into the sovereign zones of Vietnam (as well as those of coastal countries in the region of Southeast Asia). By inserting its claim, China has caused many obstacles to Vietnam's economic activities in the area under Vietnam's sovereignty, and frequently uses its coast guard force and navy to threaten these activities. In particular, China has continuously acted to hinder the fishing activities of Vietnamese fishermen, and pressures Vietnamese and foreign oil and gas companies to terminate their activities of oil and gas exploration and production activities in Vietnam's continental shelf. At the same time, China regularly sends oil and gas exploration ships as well as ships to explore the continental shelf into Vietnam's waters.

There have been serious incidents of tension in the continental shelf dispute, such as the incident of HD 981 oil rig event in 2014, when China sent a massive oil and gas exploration rig to operate in Vietnam's exclusive economic zone. Another example is the incident at Vanguard Bank in 2019 when China sent the Haiyang Dizhi 8 vessel to conduct geological surveys in Vietnam's exclusive economic zone along with coast guard ships to harass Vietnamese oil and gas exploitation activities in the area at Block 06.01 located 190 nautical miles off the Vietnamese coastline (Nguyen Thanh Trung, 2019). So far, there has not been any military clash between Vietnam and

China. However, the situation is becoming more tense as China continues to send ships into Vietnam's waters to explore resources and to obstruct the oil and gas exploration activities of Vietnamese companies in its own sovereign areas.

2.2 Disputes between Vietnam and other countries

In addition to Vietnam and China, a number of other countries also claim sovereignty over the East Sea area overlapping with Vietnam's waters, such as Taiwan, the Philippines, Indonesia, Brunei, and Malaysia. Unlike disputes with China, disputes between Vietnam and these countries are not as ten-

se. Therefore, no serious incidents have occurred, as Vietnam and other countries make efforts to maintain stability in relations and resolve disagreements through negotiation and peace. In fact, Vietnam and Indonesia negotiated and signed the Agreement on the Delimitation of the Sea in 2003 (Hoang Yen, 2020), and Vietnam and Malaysia jointly submitted a Joint Report on the Extended Continental Shelf to the Commission on the Limits of the Continental Shelf of the United Nations site in May 2009 (Nguyen Thanh Minh, 2022). In general, there are still differences in sovereignty claims between Vietnam and a number of bordering countries in the East Sea area, however, unlike with China, disputes with these countries are restrained by all parties to maintain peace and stability in the region.

3. Vietnam's Strategy on the East Sea

Given the importance of the East Sea for national economy and security, and the ongoing dispute with neighboring countries and especially with China, Vietnam developed a comprehensive East Sea Strategy to balance both, national interests and economic growths. As stated by the Communist Party of Vietnam in the document of the 12th Party Congress, Vietnam "resolutely and persistently struggles to firmly defend the independence, sovereignty, unity and territorial integrity of the Fatherland, and maintain peace and stability" (CPC, 2016). Vietnam's goal in settling disputes in the East Sea is dual: protecting its sovereignty and maintaining peace and stability for economic development. Vietnam's sovereignty in the East Sea area has been recognized by UNCLOS 1982, and with that Vietnam is determined to safeguard its rights. However, this goes hand in hand with maintaining an environment of peace and development. Protecting national interests and maintaining a favourable environment for development are two parallel tasks.

In the matter of defending national sovereignty in the East Sea region, to counteract the difference in power between Vietnam and China, Vietnam has pursued a complex strategy to achieve its goal of sovereignty protection and territorial integrity, while at the same time, maintaining a peaceful and stable development environment. The instruments Vietnam has applied include the **hedging strategy to reduce risks by cooperating simultaneously with all powers** (Yuzhu Wang, 2021) while featuring a mixture of **cooperative and confrontational elements** (John D Ciorciari et. al, 2019). Vietnam also utilizes the **soft-balancing strategy** to employ international institutions, political, economic, and diplomatic relations to repel challenges (Pape, 2005). Furthermore, the balancing policy also dictates that Vietnam improves on its own military capabilities and its ties with other countries to strengthen military capabilities to confront China's military challenges – if necessary. Generally speaking, Vietnam has implemented a diversified, flexible and resolute foreign policy through a va-

riety of instruments to avoid risks in a way that is named: "cooperation and struggle".

3.1 Dispute settlement with China

Although China and Vietnam have had conflicts and disputes over territory in the East Sea, the relationship between the two countries remains stable and cooperative. In particular, the relationships between the Communist Party of Vietnam and the Communist Party of China have been tight, with important platforms for the use of political and diplomatic means to handle disputes and tensions. In the context of ongoing and increasing tensions, the two countries have held different meetings to exchange and develop measures to control disagreements and avoid the risk of conflict. In the second half of the 2000s, as the tension increased sharply, the two countries exchanged and proposed a number of measures to handle tensions, notably the "Agreement on basic principles guiding the settlement of maritime issues between Vietnam and China" signed in 2011. Particularly, a crucial point of the agreement states that the two parties should: "persist through friendly consultations, properly handle and settle maritime issues, making the East Sea a sea of peace, friendship and cooperation" (Nhan Dan, 2013).

Despite the two sides reaching the above-mentioned agreement, disputes and tensions have kept growing, and thus further political and diplomatic measures have been employed to control them. For example, despite the high-tension following China's deployment of the oil and gas rig HD 981 into Vietnam's exclusive economic zone in 2014, in early 2015, the General Secretary of the Communist Party of Vietnam still made a visit to China and discussed issues of bilateral relations, including the issue of sovereignty over the East Sea. This allowed tensions between China and Vietnam to remain controlled. In general, despite the disputes in the sea, the political

relations between the two countries were never frozen, and Vietnam still emphasises on the importance of maintaining stable relations. It aims to avoid conflict and alleviate disagreements while continuing to seek for a mechanism to resolve the sovereignty issues. It can be said that while resolutely safeguarding its sovereignty, Vietnam still tries to maintain stable relations and restrains from any measure that could seriously weaken the bilateral relations or prompt China to react negatively. This is why Vietnam does not sue China in an international court, even though this has been considered.

Along with political activities, Vietnam still advocates for economic cooperation with China in the hope that the increased benefits of trade and investment will help stabilize bilateral relations and assist in preventing escalation. Since the early 2000s, China has become the largest exporter to Vietnam and the bilateral trade turnover has continuously increased in recent years. China's exports to Vietnam increased from \$5.9 billion in 2005 to \$49.5 billion in 2015 and \$84.1 billion in 2020 (Vu Huy Hung, 2023). Beside the trade, China has also invested significantly in Vietnam, with more than \$21 billion by the end of 2021 (General Statistics Office, 2023). Thus, Vietnam has become an important economic partner of China and therefore, this trade and investment relationship has made important contributions to maintaining the stability of bilateral relations in general and territorial disputes in particular.

Despite pursuing the policy of settling disputes by peaceful means and maintaining stability in the East Sea area, Vietnam has improved its law enforcement force and is preparing to react to illegal acts of sovereignty violation by China. For example, Vietnamese coast guard ships, fishing boats and other forces did challenge Chinese vessels during the events of the HD 981 oil rig in 2014, or the incident at Vanguard Bank in 2019 (CSIS, 2019). In general, Vietnam's law enforcement forces and China's coast guard ships do meet occasionally at sea when China infringes on Vietnam's sovereignty, however, there have never been any serious incidents.

3.2 Leveraging the role of ASEAN

Diplomatic activities are an important instrument in protecting Vietnam's sovereignty and settling territorial disputes in the East Sea. The basic objective is to affirm Vietnam's legitimate sovereignty, build international support for Vietnam, and thereby contributing to preventing and curbing China's ambitions. Diplomacy is also important to resolve disagreements between Vietnam and other countries such as the Philippines or Malaysia over maritime delimitation and national sovereignty. Vietnam has combined both bilateral and multilateral diplomatic channels to resolve disputes.

The most significant diplomatic initiative was the 2002 agreement on the Declaration on the Conduct of Parties in the East Sea (DOC) in Phnom Penh, Cambodia. It was signed by Vietnam, China and ASEAN countries, laying an important foundation for the settlement of disputes in this area. A significant element of the DOC is that "the Parties agree to their purposes and principles of the Charter of the United Nations, the 1982

UN Convention on the Law of the Sea, the Treaty of Amity and Cooperation in Southeast Asia, the Five Principles of Peaceful Coexistence, and other universally recognized principles of international law which shall serve as the basic norms governing state-to-state relations", and that "the Parties undertake to resolve their territorial and jurisdictional by peaceful means, without resorting to the threat or use of force,..." (ASEAN, 2012). On the basis of the DOC, Vietnam, together with ASEAN countries and China, have conducted a series of meetings to substantiate the contents of the DOC into a specific document regulating the conduct of the parties called the Code of Conduct (COC) for the East Sea. The COC negotiation is not yet concluded as the parties still have differences of opinion on a number of issues.

Along with diplomatic efforts within ASEAN, Vietnam has also used international fora such as the United Nations to raise awareness and call for support from other countries. On May 6, 2009, Vietnam submitted a joint submission with Malaysia on the overlapping extended continental shelf of these two countries in the southern area of the East Sea (UN, 2009). At the same time, on May 8, 2009, Vietnam also presented a submission on its own extended continental shelf in the North East Sea area (Nguyen Hong Thao, 2010). On 30 March 2020, Vietnam's Permanent Mission to the United Nations submitted a note of protest against China's territorial claims. Along with making territorial claims, Vietnam has employed diplomatic channels to resolutely oppose China's nine-dash line territorial claims (Cong Khanh, 2014).

3.3 Connection with the US and other great powers

Vietnam-US relations: The United States is a global superpower and has a keen interest in regional issues and, in particular, the issue of Chinese power growth. The US has major concerns about the East Sea, including freedom of navigation and security stability. The rise of China has created great challenges for the role of the US in the Asian region in particular and the Indo-Pacific region in general. The US opposes China's stance on the nine-dash line claim and criticizes China's "bullying" attitude towards other countries. If China's claim to the nine-dash line is enforced, it could impede US activities in the region and threaten the stability of key maritime routes connecting Asia with Africa, Europe, and many other parts of the world. In this regard, the United States must strengthen relations with Asian countries to curb China's ambitions. To achieve this goal, the United States has pursued a strategy of "rebalancing to Asia" under the Obama administration, and now the "Indo-Pacific strategy".

Vietnam does not advocate for alignment with the US in restraining China, but believes that the US has an important role in maintaining stability and security in Asia and especially maritime security. In this context, Vietnam and the US upgraded their bilateral relationship to a comprehensive partnership in 2013, and since then the defense and security relationship between the two countries has gradually improved. The US and Vietnam have joined the Maritime Security Initia-

tive under which the US supports to improve the capacity of Vietnam's maritime security forces. The US also assisted Vietnam with two Hamilton patrol ships (with a displacement of 3000 tons) and a number of small patrol boats, and both countries undertake joint rescue exercises with the US Navy. The defense relations between the two countries also improved through port visits; for instance, the Vietnam port visit by aircraft carriers USS Carl Vinson (May 2018), or USS Ronald Reagan (June 2023).

Vietnam firmly adheres to the principle of the Three No's (no military alliances, no basing of foreign troops in the country and no explicit alliances with one country against another). However, it does believe that improving relations with the US is of great significance for maintaining stability in the East Sea region.

Deepening relations with the US is a very important foreign policy measure of Vietnam against the backdrop of increasing tensions over territorial disputes in the East Sea. However, Vietnam is very cautious in promoting relations with the US to avoid overreaction from China. China views US interference in Southeast Asian and Asian affairs as detrimental to China and in particular wants to prevent US involvement in the disputed issues in the East Sea region. Because of this Chinese calculation, Vietnam has been cautious in promoting military relations with the US. Although Vietnam has established strategic partnerships with many US allies such as Japan, South Korea, the United Kingdom, Australia, Germany, and France, it maintains diplomatic relations with the US at the level of a comprehensive partnership. Vietnam-US relations may not be what some people expect, but the reality is that the relationship between the two countries has a strategic depth. The current US Ambassador to Vietnam Marc Knapper commented, "The relationship between our two countries is essentially strategic in nature..." (Duong Lam, 2022). On the future of Vietnam-US relations, Vietnam's Party Chief Nguyen Phu Trong told US Secretary of State Antony Blinken in Hanoi on April 15, 2023, that: "Positive outcomes in the Vietnam-US relations will create a foundation for the two countries to elevate their ties to a new height, for the sake of their people, and for peace, stability and development in the region and the world at large" (Vietnamplus.vn, 2023).

In addition to political and security relations, economic relations between Vietnam and the US have made great strides in recent years, and the US is now Vietnam's largest export market, accounting for about 30% of Vietnam's total export turnover. Many US companies have invested in Vietnam, especially in Vietnam's oil exploration and production industry, such as ExxonMobil, or Murphy Oil, of which ExxonMobil has discovered a large oil field in Vietnam's central sea area, although it has not yet been extracted.

Vietnam-Japan relations: Japan has a vital interest in maintaining order in the East Sea region, as it has significant trade relations with countries around the world via the maritime route through the East Sea. Vietnam is also a country with extensive trade relations with Japan, sharing many views on

maritime security in the Indo-Pacific region. Fundamentally, Japan is concerned about China's complete domination over the East Sea region and therefore advocates strengthening relations with ASEAN countries and supporting countries in the region to improve maritime capabilities to protect sovereignty from challenges by China. Vietnam-Japan relations were upgraded to a strategic partnership in 2009 and further to a comprehensive strategic partnership in 2014. In 2017, Japan provided a credit of \$350 million to Vietnam to enhance the capacity of its maritime security force (Marry, 2017), and similarly in 2020, the Japan International Cooperation Agency provided a credit for enhancing the capacity of Vietnam's maritime security forces worth US\$347 million (Pham, 2020). In addition to helping Vietnam improve its maritime capabilities, the Vietnamese and Japanese militaries have deepened ties, with Japanese warships regularly visiting and sharing experiences with the Vietnamese navy. In addition to military activities, Vietnam and Japan, as the second largest investor in Vietnam, have maintained very close trade and investment relations for a long time. Cooperation between Vietnam and Japan in oil and gas exploration in the East Sea has also been promoted in recent years, with Japan exploring and exploiting oil and gas deposits in various areas of Vietnam.

Vietnam-India relations: The friendship between Vietnam and India has existed since the mid-20th century, and recently this relationship has continued to stabilize and develop. As the fifth largest economy in the world, India's role in regional and international affairs is significant. Currently, Vietnam and India share many views on international relations issues in the region and the world. India has implemented the "Look East" strategy and considers Vietnam an important partner in this strategy. Vietnam and India have established a strategic partnership since 2007 and the two defense ministries signed a Joint Vision Statement on Defense Cooperation for the 2015-2020 period and a similar document in 2022 that will last until 2030. Based on a strategic partnership, India has helped to improve the capacity of Vietnam's navy by training submariners and supplying warships. In 2015, India also granted \$500 million in defense credit to Vietnam (Viet Anh, 2016). In addition to defense cooperation, bilateral economic relations have also developed strongly, particularly India's participation in Vietnam's oil and gas industry through the implementation of projects to explore and exploit oil and gas in the East Sea. Although Indian oil and gas companies have been threatened by China, with the support of the Indian government, India's oil and gas exploration and production activities continue to be carried out in the East Sea region (Thu An, 2015).

Vietnam-Russia Relations: Vietnam pursues relations with the Russian Federation under the framework of the comprehensive strategic partnership signed in 2001. Although economic relations between Vietnam and Russia are relatively modest, defence relations are very strong with Russia being the main partner supplying military equipment and weapons to Vietnam. While Russia maintains moderately close relations with Vietnam, it also maintains close ties with China, and therefore takes a vague stance on territorial disputes in the East Sea between Vietnam and China. Vietnam's relations with Russia on the one hand to facilitate access to Rus-

sian weapons and military equipment, while also preserving Russia's oil and gas exploitation activities in the East Sea. The Vietnam-Russia Petroleum Joint Venture (Vietsovpetro) is a main joint venture that has exploited and supplied oil and gas for Vietnam up to now. Russia's participation in Vietnam's oil and gas sector takes the form of both a direct joint venture between Vietnamese and Russian companies and a tripartite joint venture between Vietnamese, Russian and Indian companies. Vietnam is in favour of maintaining and promoting cooperation with Russia in oil and gas exploration and production in the East Sea, as Russia's involvement in this area could make it more difficult for China to adopt the bullying attitude.

Relations between Vietnam and EU countries: Recently, EU countries have begun to re-examine their relations with China. Now, they view China's rise through a new, more challenging lens, and step up their engagement in Asian affairs. In 2021, the EU announced its Indo-Pacific Strategy, which promotes economic cooperation and advocates a rules-based order in the region. Notably, in September 2020, the United Kingdom, France and Germany sent a joint note verbal to the United Nations Secretary-General, rejecting China's territorial claims in the East Sea area (Nguyen Hong Thao, 2020). This significant diplomatic activity of the UK, France and Germany has made a great contribution toward stabilizing security issues in the Asia region.

So far, Vietnam has established strategic partnerships with these three countries. Vietnam highly appreciates the role of the UK, France and Germany in security in Asia, especially regarding freedom of navigation. On 29 August 2019, they issued a statement on the East Sea, in which they "call on coastal states of the East Sea to take steps and measures to reduce tensions and contribute to maintaining and promoting peace, security, stability and safety in the region" (German Federal Foreign Office, 2019). Current cooperation between Vietnam and the UK, France and Germany respectively is mainly in the field of trade and investment, and development assistance to Vietnam. Recently, Vietnam and the EU signed the bilateral free trade agreement (EVFTA), which opens a new trend of economic cooperation between Vietnam and the EU in general and France and Germany, as well as the UK with an adaptation to the agreement in particular. In the field of defence, Vietnam and France have signed a Joint Vision Statement on Vietnam-France defence relations for the 2018-2028 period. Vietnam and Germany have also signed a defence cooperation agreement in 2022, and by 2023, and Vietnam and the UK have held four rounds of defence dialogues to promote bilateral defence cooperation. In general, relations between Vietnam and the EU are developing stably, contributing positively to Vietnam's development. Recent adjustments in the EU's foreign policy are making a positive contribution to maintaining peace and stability in the region.

3.4 National capacity building

Economic development is considered a key task of Vietnam today in the context of Vietnam's relatively low level of development and per capita income. Compared to other countries in the region, Vietnam's economy has dynamically developing, with an average economic growth rate of 6-7% per year in recent decades. With the rapid development of the economy and the expansion of trade and investment, Vietnam has attracted the attention of many countries around the world, in terms of economic benefits as well as regarding security provision and protecting sovereignty. Due to the expansion of economic relations with countries around the world, Vietnam's position in international relations has strengthened and many countries have voiced their support for maintaining stability and resolving disputes in the East Sea, thereby helping to contain China's assertive attitude.

Next to strengthening relations with other countries, Vietnam has stepped up its defence spending invests in modernizing its military force, especially the navy, to protect national sovereignty in the East Sea. Vietnam is a country with a relatively low per capita income, and therefore Vietnam's military strength in general, and its navy and maritime law enforcement forces in particular, still have room for growth. However, facing security challenges outlined above, Vietnam has had to boost defence spending. According to data from the Swedish Institute for Peace Research (SIPRI), in the period from 2005 to 2018, the share of Vietnam's defence spending in gross domestic product (GDP) averaged to 2.18%. This figure is higher than the ASEAN regional average of 1.9%, and among countries with sovereignty disputes in the East Sea, Vietnam has the second highest ratio of defence spending to GDP, after Brunei (SIPRI, 2023). Vietnam's defence spending focuses heavily on modernizing its navy and coast guard. From 2010 to 2015, Vietnam has put into service six Russian-made Kilo-class submarines and upgraded its surface fleet. According to data from Global Firepower, the Vietnamese Navy currently has 65 ships of all kinds, including four missile defence ships, seven submarine hunting corvettes (most of which have been replaced), thirteen fast attack crafts, eight missile boats, twelve artillery ships, and five torpedo boats (Hannah Nguyen, 2021). Along with upgrading its navy, Vietnam has made great efforts to upgrade its coast guard with Russia's Bal and Bastion missile systems (My Lang, 2015) as well as air defence forces by equipping the Israeli made Spyder missile system and providing the air force with new Russian aircrafts.

4. Conclusion and Recommendation

China's territorial claims in the East Sea and China's current challenges to freedom of navigation in these waters are becoming alarming and attracting the attention of countries around the world. Facing this challenge, Vietnam advocates for resolutely protecting national sovereignty while at the same time controlling disputes in order to maintain a peaceful and stable environment. For Vietnam, the international laws, especially UNCLOS 1982, are fundamental and the most important legal base to handle territorial disputes.

Based on this assessment, Vietnam deploys a complex diplomatic strategy. With China, Vietnam's foreign policy is "both cooperation and struggle", thereby resolutely defending its sovereignty but avoiding unnecessary tensions. With other major powers such as the US, Japan, India, or the EU, Vietnam invests in stronger diplomatic relations in order to garner economic and political support vis-à-vis China's territorial claims. Lastly, with due consideration to not escalate any encounter at sea, Vietnam upgrades its law enforcement forces and military capability to meet the identified security challenges.

As a small country, Vietnam sees great importance in building relations with major world powers such as Germany. It considers the EU in general, and Germany in particular, important actors in international relations. Therefore, it is in Vietnam's interest that the EU and Germany consider becoming deeper involved in East Asian issues, especially issues of sovereignty and security in the East Sea. Given China's

aversion to US involvement in regional matters, a stronger role of the EU and Germany in coordinating with ASEAN and Vietnam would be less sensitive and more effective in resolving regional maritime disputes. The fact that the EU and Germany have recently voiced their opposition to China's nine-dash line claim and launched their Indo-Pacific strategy are very important contributions they should build on in the future.

The EU in general, and Germany in particular, should continue to support the improvement of the maritime capabilities of East Asian coastal countries, including Vietnam. China's dominance in the East Sea and the weak maritime capabilities of countries along the East Sea will be a major challenge for many countries around the world. Trade between the EU and East Asian countries will continue to increase, so maintaining the stability of the sea route by helping to improve the maritime capacity of countries along the East Sea should be a focus.

Vietnam welcomes the EU's strategy to promote integration with ASEAN countries and Vietnam. The prosperity of the ASEAN economies and Vietnam will better support overall security and maritime security in the East Sea region. Vietnam has good development potential and the EVFTA is a good instrument to promote Vietnam's development. Besides economic and military cooperation, Vietnam would like to cooperate with EU countries and Germany in the areas of digital transformation, digital and green economy.

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