

**Xi Jinping**

## Xi Jinping reinforces China's ties to Vietnam after US push

South-east Asian country has become critical supply hub for western and Chinese manufacturers



Xi Jinping's visit to Vietnam was his first in six years despite differences between the two sides over competing claims in the South China Sea © Luong Thai Linh/Getty Images

**Joe Leahy** and **Wenjie Ding** in Beijing 5 HOURS AGO

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China's President Xi Jinping lauded Beijing's security and commercial ties with Vietnam on Tuesday, as he kicked off a state visit to a country that has become a critical global supply hub not only for western companies diversifying out of China but also for Chinese manufacturers.

The trip, the Chinese president's third since he became Communist party general secretary more than a decade ago, also sought to counter growing ties between the US and Vietnam, with president Joe Biden [visiting the country in September](#).

["China"](#) has long been Vietnam's largest trading partner, and Vietnam is China's largest trading partner in Asean [the Association of Southeast Asian Nations]," Xi said in a "signed article" published in Vietnamese state media ahead of the visit and reported by China's news agency Xinhua.

Xi also took pains to emphasise relations with China's neighbour, despite their history of conflict. "Only when all countries develop together can they jointly build an Asian homeland of peace, tranquility, prosperity, beauty, and friendly coexistence," Xinhua quoted him as saying.

The visit was Xi's first in six years and came amid differences between the two sides

over competing claims in the [South China Sea](#).

Commercial ties have grown rapidly between the two countries, with Asean, the regional grouping that also includes countries such as Indonesia, Singapore and Thailand, becoming China's largest trading partner, surpassing the US and the EU.

Biden signed a "comprehensive strategic partnership" with Vietnam in September, raising the bilateral relationship to a status Hanoi had previously reserved only for China, Russia, India and South Korea. Vietnam had long avoided the move for fear of upsetting Beijing.

"Vietnam fought wars with both US and China, and now has comprehensive strategic partnerships [the highest level] with both of them — that is a masterclass of diplomacy," said Huong Le Thu, deputy programme director, Asia for the International Crisis Group.

Vietnam state media reported that the two countries were expected to sign "dozens" of agreements covering national defence and security, co-operation at sea, trade, investment, agricultural exports and other areas.

Xinhua reported that Xi listed China's areas of commercial co-operation with Vietnam, including Hanoi Light Rail Line 2, a project that reportedly received loans under Beijing's Belt and Road infrastructure scheme.

Xi also highlighted the launch of cross-border trains between the two countries, the construction of ports and the building of a "photovoltaic industry cluster" by Chinese companies in Vietnam.

He sought to emphasise Vietnam's support for Beijing's other geopolitical campaigns, including the global security and the global civilisation initiatives, which seek to erode what China calls US "hegemony" by rallying support among non-aligned countries for a more multipolar world.

"The visit comes at an interesting time when China is trying to get more support behind the Belt & Road Summit, the Global Security Initiative that seem to have lost their shine," said Le Tru. "Xi Jinping will play on Communist party affinity, which Vietnam's Party Secretary General Trong seems to value," she said.

She said recent tensions between China and the Philippines over competing South China Sea claims offer Beijing "yet another reason to play it nice with another Southeast Asian neighbour to present a more unified south-east Asia".

The warming ties come as analyst reports show that Vietnam is becoming a crucial hub for manufacturers diversifying out of China to beat US sanctions on Chinese goods or to reduce geopolitical risk. This applied to western and Chinese owned companies, a paper by National Bureau of Economic Research academics Laura Alfaro and Davin Chor said.

The paper said while nearly a quarter of Vietnam's exports were shipped to the US, Vietnam was also importing more from China. Analysts believe many Chinese imports are processed and re-exported from Vietnam.

Imports from China had risen from 9 per cent of its total imports in 1994 to about 40 per cent in 2022, the paper said. The main imports included integrated circuits, telephone sets, and textiles, the paper said.

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