AFPC

American Foreign Policy Council

Trip Report

Vietnam Delegation

October 26 - November 2, 2025

AMERICAN FOREIGN POLICY COUNCIL

Table of Contents

Introduction

From October 26 to November 2, 2025, the American Foreign Policy Council's (AFPC) fact-finding delegation for senior statesmen traveled to Vietnam. AFPC President Herman Pirchner, Jr., led the nine-person delegation, which was organized and staffed by Vice President for External Relations Annie Swingen. It also included, in alphabetical order, Hon. Ken Blackwell, President, Council for National Policy; Julia Burke, AFPC Board Member; Hon. Dr. Christopher Ford, Former Assistant Secretary and Acting Under Secretary of State and an AFPC Advisory Board Member; Lawrence J. Haas, Senior Fellow for U.S. Foreign Policy, AFPC; Judy Holmes, AFPC Research Consultant; Victoria Ford Pirchner, AFPC Special Programs Coordinator; and Hon. Manisha Singh, Former Assistant Secretary and Acting Under Secretary of State and an AFPC Advisory Board Member.

The delegation met with current and former senior Vietnamese Communist Party and government officials, military leaders, and diplomats; Vietnamese business representatives and executives of leading technology companies; and U.S. officials. A full list is available at the end of this report. The discussions were wide ranging but mostly focused on U.S.-Vietnam relations in general, U.S.-Vietnam trade relations in particular, Vietnam's economic and other plans for the future, threats to Vietnam and other members of ASEAN from China, and the U.S. presence in the Pacific.

Lawrence J. Haas
Author

Vietnam Delegation Trip Report

OVERVIEW

Our trip to Vietnam in late October could not have been timelier. While we were there, President Trump attended the 47th Summit of the Association of Southeast Asian Nations (ASEAN) in Kuala Lumpur and, at the end of our visit, Secretary of War Pete Hegseth visited Hanoi. They each met with Vietnamese leaders, stressed the importance of the U.S.-Vietnam relationship, and announced important U.S. action toward Vietnam. At the same time, Vietnam in 2025 is celebrating not only 50 years of communist rule over a once-divided nation but also – as officials and other influential figures were pleased to remind us – 30 years of normalized relations with the United States. With an eye to the future, Hanoi is eagerly awaiting the upcoming 14th Congress of the Communist Party of Vietnam (CPV) in early 2026, where party officials will set the nation's future path and choose its leaders.

Vietnam is a nation of great aspirations, with ambitious goals for its economy, its people, and its place in the region and world over the next five and the next 20 years. Hoping to build on the landmark Comprehensive Strategic Partnership (CSP) that the United States and Vietnam inked in 2023, Hanoi seeks more trade with, and investment from, Uncle Sam. Hanoi also seeks closer diplomatic and military ties with Washington, though it's reluctant to push too fast or too outwardly on that front – lest its quest for more alignment with the United States further complicate its relations with China, with which it's closely integrated economically but fears militarily.

Notwithstanding its progress over the last half-century and its bold ambitious for the future, all is not rosy for this bustling nation of 105,000,000 people that borders China to the north and the South China Sea to the east. Tensions are rising across the region as China seeks to expand its geographic footprint, and Vietnam (alone and with the other 10 members of ASEAN) seeks to protect its interests. Meanwhile, at a time when Hanoi wants Washington's help to boost deterrence and maintain peace, influential Vietnamese figures in and out of government question America's commitment to the CSP and its interest in a deeper relationship. That's largely because Hanoi is baffled by President Trump's big new tariffs on Vietnamese exports – which they find unjustified, counter-productive, and, to some, more than a little insulting – and that has complicated bilateral relations a bit. Hanoi also chafes that despite its reforms, Washington still does not recognize Vietnam as a "market economy" and, as a re-

AFPC delegates pose with Senior Colonel Bui Xuan Anh, Deputy Director General, Institute for Defense International Relations (IDIR), Vietnam Ministry of Defense.

sult, subjects Hanoi to more scrutiny over unfair trade practices than otherwise.

Complicating matters further, Hanoi – an authoritarian regime of top-down, one-party communist rule – does not seem to sufficiently understand the complexities of America's free, democratic, and multi-layered system, based on the questions officials ask and the concerns they express. Focused on the actions of America's current president, they don't seem to fully appreciate the vital role that an independent Congress plays in shaping America's international relations over the long term, the reality of shared power between the two parties in Washington, or the influential role of advisors in every White House who shape the thinking of every president. Hanoi desires more consistency in U.S. action toward Vietnam over the long term, however unrealistic that may be in an era when power in the White House and Congress shifts frequently between Democrats and Republicans. Shocked that Trump would impose high tariffs on Vietnam at a time when Hanoi wants to lean more on Washington economically, diplomatically, and militarily, some influential figures in Hanoi even expressed worry that the tariffs signal a U.S. retreat from the bilateral relationship.

On a more positive note, Hanoi seems eager to address the tariff issue head-on by working with the Administration on trade issues rather than carping from the sidelines; officials repeatedly asked us how best to approach that challenge. Their work was well underway even before we arrived. In recent weeks, Vietnamese companies finalized plans for an $8 billion purchase of 50 Boeing aircraft and a $2.9 billion purchase of U.S. agricultural products. Hanoi's efforts bore more fruit when, while in Kuala Lumpur, Trump announced that both governments had agreed to a "framework" for a U.S.-Vietnam trade agreement, as outlined below, that will build upon their bilateral agreement of 2000.

In addition, Hanoi's quest for closer U.S. ties mirrors grassroots sentiment. Vietnam's population is strongly pro-American – a testament to the astonishing changes in relations between the two nations in the half-century since they fought one another. By all accounts, the Vietnamese people admire America's free market and see the country as a reliable ally. By 2017, a Pew Research Center survey found, 84 percent of Vietnamese expressed favorable views of the United States, and the figure has been even higher for those aged 18 to 29 and for highly educated people.

The Vietnamese are a proud and patriotic people and, for the most part, they're content with the present and excited about the future. The CPV rules with an iron fist, providing no real freedom of speech, assembly, or press. Rather than seethe from such restrictions, however, Vietnam's people appreciate the peace and stability that the regime has brought after years of war and chaos. At least for now, the Vietnamese are willing to accept sizable limits on their freedom as long as the government continues to deliver for them in terms of a growing economy and rising living standards.

THE U.S.-VIETNAM RELATIONSHIP

Envisioning its future, Vietnam looks largely to the West; no Southeast Asian nation is more closely aligned with the United States.

Washington and Hanoi normalized relations in 1995, established a Comprehensive Partnership in 2013, and inked the CSP in 2023, reflecting an ever-deepening relationship and laying the groundwork for even closer ties. The two nations are increasingly intertwined economically, reliant on one another geopolitically, and comfortable with one another societally.

The two nations invest in, and trade with, one another more than ever. Vietnamese foreign direct investment (FDI) in the United States rose from $5 million in 2007 to $948 million in 2024, and Vietnamese companies plan to invest $6.9 billion in 44 greenfield projects in 10 states and Washington D.C. At the same time, U.S. FDI in Vietnam rose from $426 million to $4.4 billion over the same period, and 328 U.S.-based companies operate 769 subsidiaries in Vietnam. America is Vietnam's second largest trading partner (behind China) and largest export market, and trade between the two rose 20 percent from 2023 to 2024 (to a total of $150 billion). Particularly important sectors include agriculture and high tech. All that trade and investment support tens of thousands of jobs in each country.

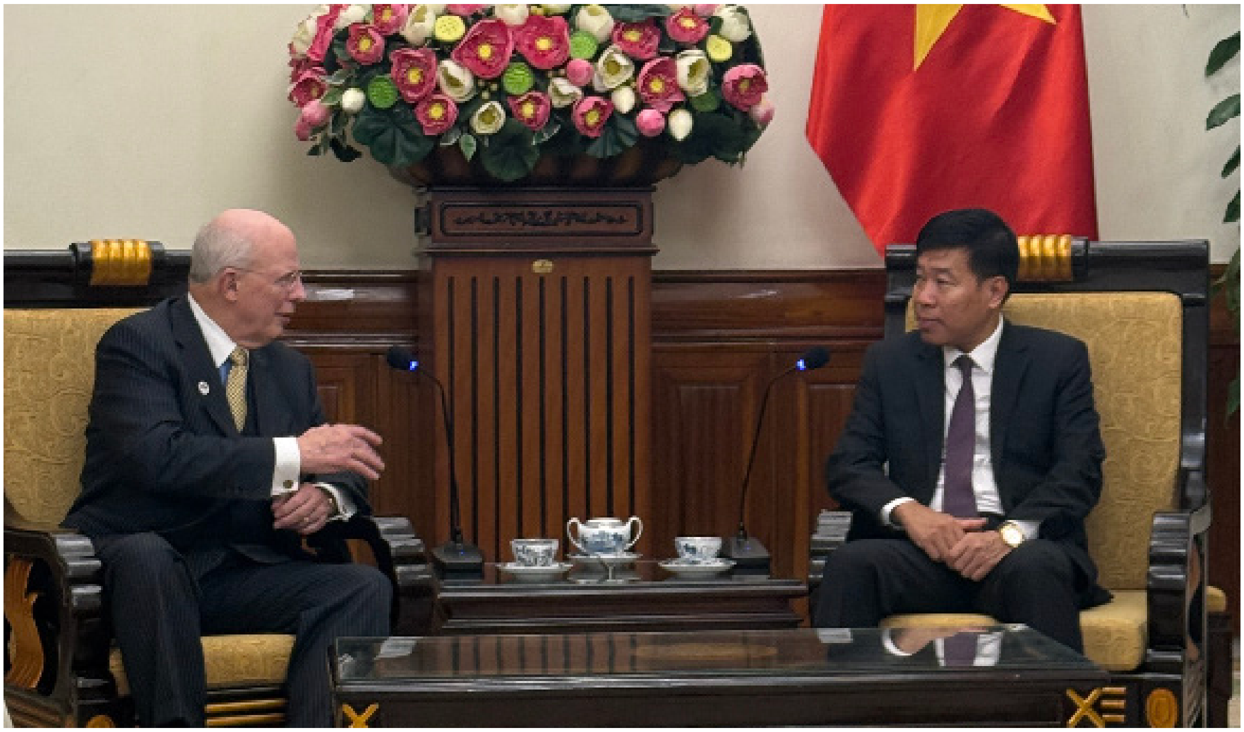
Since the United States lifted its ban on arms sales to Vietnam in 2016, the former has transferred more arms to the latter over time, enabling Vietnam to reduce its dependence on Russian arms somewhat (though it will remain significantly dependent on Russia for some time if only because it will need spare parts and other material for its Soviet-provided weapons). But Hanoi's stated interest in diversifying its arms suppliers may be more fabricated than real; Moscow and Hanoi have reportedly developed a "back-door method" of avoiding U.S. and Western sanctions on Russia, under which Hanoi buys weapons from Moscow and pays for them from the profits from a joint Vietnam-Russia oil company. Hanoi has not publicly acknowledged the arrangement and did not do so during our discussions.

The United States and Vietnam are more intertwined at the grassroots level as well, with citizenries that are deeply interested in, and benefit from, one another. More than 30,000 Vietnamese students attended U.S. colleges and universities in 2023-24, more than 135,000 Vietnamese visited the United States in 2024, and nearly 780,000 Americans visited Vietnam that year. Vietnam plans to make English the second language in all of its schools by 2035, more Americans are teaching English to Vietnamese students, and U.S. universities are increasingly partnering with their Vietnamese counterparts. And on the battlefields across Vietnam on which the two nations exchanged gunfire more than a half-century ago, the Vietnamese now grow coffee that Americans sip in great quantity over breakfast.

ECONOMIC ASPIRATIONS

Since dumping its state-centered economic model and adopting its Doi Moi ("restoration") reform policies in 1986 that marked the onset of private enterprise and a market economy, Vietnam has transformed itself from one of the world's poorest nations to a middle-income society. Real Gross Domestic Product (GDP) per capita has risen from $700 in 1986 to $4,500 in 2024 (in constant 2023 dollars), while the share of people living on less than $3.65 a day has fallen from 14 percent in 2010 to below 4 percent in 2023. Vietnam's people are living longer, healthier, and more educated lives, they can afford a far broader array of consumer goods, and they're increasingly migrating from rural to urban areas to work in manufacturing and other thriving sectors. But the nation's leaders have far more ambitious plans for the future and they're seeking America's help to achieve them.

Hanoi has set the goals of achieving 10 percent economic growth for each of the next five years, of boosting per capita GDP to $8,500 by 2030, and of becoming a high-income economy by 2045. Top officials suggest that they know the five-year growth target will prove challenging, especially for an economy that already



AFPC President Herman Pirchner, Jr. meets with Vietnam's Ministry of Foreign Affairs Deputy Minister Nguyễn Mạnh Cường.

has grown so much in recent years. To put that target in perspective, Hanoi says the economy will grow more than 8 percent in 2025, but the World Bank projects a more modest 6.6 percent. Thus, Hanoi needs to take an economy that's growing robustly and turbo-charge it for an extended period.

To help make that happen, the Communist Party's general secretary, To Lam, announced in May that its Politburo had adopted four resolutions to transform its economy and legal system and create more favorable conditions to achieve the nation's economic goals. These resolutions form the centerpiece of Hanoi's economic agenda, enunciated by officials throughout our meetings and reprinted in public documents that the Ministry of Finance distributes to promote Vietnam's economic plans and achievements.

Resolution 68 identifies the private sector as the "principal driver" of the economy; by 2045, it would account for over 60 percent of GDP and comprise about three million private enterprises. Resolution 57 pinpoints science and technology, innovation, and digital transformation as major driving forces for economic growth; by 2045, the digital economy would account for at least 50 percent of the overall economy. Resolution 66 calls for radical innovation in law-making and enforcement; by 2045, Vietnam would have a modern legal system that reflects "advanced international practices." Resolution 59 prioritizes international

AFPC delegates met with H.E. Phạm Đại Dương, Vice Chairman of the Central Committee's Policy and Strategy Committee, Member of the Party Central Committee.

integration as a strategic driving force; the nation would develop a "digital, green, circular" economy, deepen strategic partnerships, upgrade human capital, and "enhance institutional capacity and political readiness."

Putting meat on the bones of these four pillars, lots of work is underway and lots more is planned. As part of the "largest administrative restructuring in decades," Hanoi has streamlined government – reducing the number of ministerial bodies, shrinking three levels of local government into two, and slashing positions at the national and provincial levels. To "unlock [its] economic growth potential," Hanoi plans to complete over 3,000 kilometers of highways this year, launch investments in North-South high-speed rail next year, upgrade its waterway and airway infrastructures, provide enough domestic electricity demand to meet its development goals, increase its renewable energy sources, and continue to shift major parts of the economy from state to private ownership. In addition, Hanoi has set ambitious targets to increase its FDI from Asia, Europe, and the United States and, to reach them, it seeks to improve its business climate for investors by streamlining approval procedures and providing tax breaks for high-tech companies.

As it acknowledges, however, Hanoi's challenges in meeting its economic goals remain as much internal as external. Its private sector now has new opportunities to participate in a host of non-security areas such as aviation, infrastructure, and energy but, after decades of state control over the economy, this remains a country in which private enterprise does not come naturally. Vietnamese companies, for instance, don't yet know how to work together most effectively to boost their own fortunes or the private sector in general. Hanoi recognizes that it needs more regulatory streamlining to entice more FDI, and it needs a more skilled labor force for the jobs it plans to create. Meanwhile, U.S.-based multinational corporations remain concerned over two issues of current bilateral negotiation: Hanoi's double taxing of U.S. corporations in general and its taxes on digital companies in particular.

Hanoi complains that the new U.S. tariffs (originally 46 percent, now 20) could complicate its ambitious economic goals. But, in Kuala Lumpur, Trump inked a "Joint Statement on a United States-Vietnam Framework for an Agreement on Reciprocal, Fair, and Balanced Trade" that could allay some of Hanoi's concerns by further opening markets in both countries. It calls for Hanoi to provide "preferential market access" for U.S. industrial and agricultural exports, for Washington to identify products to "receive a zero percent reciprocal tariff rate," and for both countries to work together to address their interests in "non-tariff barriers that affect bilateral trade in priority areas" – including, for instance, barriers affecting U.S. vehicles, medical devices, and pharmaceutical and agricultural products. The framework also notes the "recent commercial deals between U.S. and Vietnamese companies," including the latter's purchase of $8 billion of Boeing aircraft and $2.9 billion of U.S. agricultural products.

In addition, Hanoi and Washington pledged to "finalize commitments on digital trade, and services and investment," and to address Trump's complaint about Chinese transshipments – i.e., products that China-based manufacturers route through Vietnam and other countries (to sidestep higher U.S. tariffs on Chinese-made products) before exporting them to the United States. Hanoi recognizes Washington's deep concerns about transshipments, takes the issue more seriously than ever in light of Trump's tariff policy, and has taken steps to more closely monitor and crack down on the practice – though whatever it has done to date clearly has not satisfied the president or his top trade advisors.

To reach its lofty five- and 20-year goals, Hanoi recognizes that it needs the stability that peace will bring. That's among the major reasons why it focuses so heavily on the threats it faces in the region.

GEOPOLITICAL CONSIDERATIONS

The Vietnamese people value their national independence so highly because, until they created a state of their own in the early 10th Century, they were ruled for about 1,000 years by what was then the Chinese empire. They value peace so highly because, in recent centuries, they have known so much war.

Washington and Hanoi share the goal of deterring Chinese aggression, but meeting that goal is particularly tricky for Vietnam. It increasingly looks to Washington for support, and Vietnamese officials speak much less these days about "bamboo diplomacy" – their decades-long strategy of balancing their U.S. interests with their Chinese interests. But Hanoi cannot ignore the reality of an aggressive behemoth across its northern border that seeks to expand its regional footprint and is threatening Vietnam's interests. China is also Vietnam's largest trading partner and, in the first seven months of 2025, accounted for 40 percent of Vietnam's imports. In fact, China reportedly supplies nearly half of the raw materials that Vietnamese manufacturers need to make their products. So, Beijing enjoys considerable leverage over Hanoi, with the ability to deny Vietnam what it needs, and conflict between the two would threaten a trade relationship from which Vietnam has benefited greatly.

Hanoi's concerns about China are rooted in history but exacerbated by recent events. Officials well remember that China invaded Vietnam in 1979 to punish the latter for not adequately respecting its hegemonic aspirations. Now, in response to Chinese island-building in disputed waters of the South China Sea (or, as Hanoi calls it, the "East Sea"), Vietnam has stepped up its own island-building, including in territory that China claims as its own. All of that has raised tensions between the two and it could complicate relations within ASEAN, which includes members with their own territorial claims.

As they weigh the threat from China and the current level of deterrence, Vietnam's leaders are wisely looking beyond regional developments and watching how the international community is reacting to aggression elsewhere. In particular, they are watching the Russia-Ukraine war and assessing the state of U.S. and Western resolve, knowing full well that Beijing is assessing the very same thing as it weighs its next moves in the region. The more that the U.S.-backed West confronts aggression in one global hotspot, Hanoi believes, the less likely that Beijing will run the risk of forcing Western action in the Pacific.

Along with Trump's trip to the ASEAN conference and the new U.S.-Vietnam framework on trade, Hegseth's trip to Vietnam in early November should help reassure Hanoi about America's continuing commitment to the region. The secretary of war announced that Washington would recommit itself to addressing painful issues that remain unresolved a half-century since the end of America's war in Vietnam. Specifically, he said, Washington will provide more funds to continue cleaning up toxins from Agent Orange and other herbicides and provide advanced DNA technology to help Hanoi find its soldiers who remain missing.

POLITICAL COMPROMISES

"Bread and circuses." The term was coined by Roman satirist Juvenal of the first century A.D., and it refers to a government's efforts to pacify its citizenry with goods while distracting it with public celebrations. It's an apt description of what Hanoi is doing to keep the Vietnamese people in check.

A quarter-century ago, U.S. policymakers subscribed to the "China model" – the presumption that as China liberalized its economy, its population would demand changes that would liberalize its politics. But that has not happened in China, where living standards continue to rise while an authoritarian regime in Beijing cracks down ever more on human rights. Nor, similarly, is it happening in Vietnam, where another authoritarian regime rules. As with Beijing, Freedom House reports, Hanoi in recent years has been tightening its iron fist. Officials say they respect human rights "according to our traditions," but such assurances don't mean much in practical terms.

The government targets journalists, activists, and dissidents for retribution – detaining and interrogating them, pressuring them to inform on colleagues, blocking the websites of their organizations, preventing them from traveling within or beyond the country, and so on. Much of the crackdown of recent years was overseen by To Lam in his previous role as minister of public security. While our delegation was in Vietnam, Hanoi was preventing a BBC journalist, who is a Vietnamese citizen, from leaving the country, reportedly due to stories she produced from her perch in Thailand. The Committee to Project Journalists ranks Vietnam as 173rd out of 180 on its press freedom index and as the seventh worst jailer of journalists, tied with Iran and Eritrea.

At the grassroots level, however, authoritarian rule has triggered no serious clamor for the regime to loosen the reins. Vietnam's older generation remembers the war and the chaos that followed America's departure in 1975, and they value not just peace but the stability of everyday life. Meanwhile, the economy is growing, living standards are rising, jobs are plentiful, the streets are safe, more students are traveling abroad to study, and people enjoy access to a wider array of consumer goods. All in all, the nation is united, and a contented populace is reluctant to rock the boat. Whether a younger generation that has not known war or chaos will grow restive for political reform remains to be seen.

AFPC Delegates

** Served as delegation leader*

Herman Pirchner, Jr., President, AFPC *

(Delegates listed below in alphabetical order)

The Hon. J. Kenneth Blackwell, President, Council for National Policy; Chairman, The Advisory Board of the Institute for Diplomacy, Security and Innovation at Pepperdine University

Julia Burke, Board of Directors Member, AFPC

The Hon. Dr. Christopher Ford, Former Assistant Secretary and Acting Under Secretary of State; Advisory Board Member, AFPC

Lawrence J. Haas, Senior Fellow for U.S. Foreign Policy, AFPC

Judy Holmes, Research Consultant, AFPC

Victoria Pirchner, Special Programs Coordinator, AFPC

The Hon. Manisha Singh, Former Assistant Secretary and Acting Under Secretary of State; Advisory Board Member, AFPC

Annie Swingen, Vice President for External Relations, AFPC

Meeting List

Mr. BIEN Bang Bui, CEO, Center for Strategic Studies and International Relations Development (CSSD)

Mr. BUI Thanh Minh, Deputy CEO, Private Sector Development Committee's Office (PSDO)

Senior Colonel BUI Xuan Anh, Deputy Director General, Institute for Defense International Relations (IDIR), Ministry of Defense

Amb. ĐẶNG Đình Quý, former Permanent Representative of Vietnam to the United Nations; former Deputy Minister, Ministry of Foreign Affairs

H.E. DÀO Xuân Vũ, Vice President, Viettel

Dr. DZUNG Minh Tran, Senior Advisor, CSSD

The Hon. Mark E. Knapper, U.S. Ambassador to Vietnam

Mr. LÊ Khắc Hiệp, Vice President, Vingroup

Amb. NGUYEN Hung Manh, President, CSSD

Mr. NGUYEN Duc Minh, Researcher, PSDO

Dr. NGUYỄN Hùng Sơn, President, Diplomatic Academy of Vietnam

Mr. NGUYỄN Mạnh Cường, Deputy Minister, Ministry of Foreign Affairs

Mr. NGUYỄN Đỗ Anh Tuấn, Director General of International Cooperation Department, Ministry of Agriculture and Environment

Col. NGUYỄN Quang Chiến, Deputy Director-General, Institute of Strategic Studies, Ministry of Public Security Leaders

H.E. PHẠM Đại Dương, Vice Chairman of the Central Policy and Strategy Committee, Communist Party of Vietnam

Ms. PHẠM Nguyễn Anh Thư, Deputy CEO, Vinfast

Ms. PHAM Thi Ngoc Thuy, CEO, PSDO

Ms. Mary Beth Polley, Head, Public Affairs Division, U.S. Embassy

Amb. SON Xuan Ho, former Deputy Minister, Ministry of Foreign Affairs
Ms. TẠ Nguyệt Ánh, Chief Investment Officer, Vingroup

Amb. VINH Quang Pham, former Ambassador of Vietnam to the United States; former Deputy Minister, Ministry of Foreign Affairs

Mr. VU Tu Thanh, Deputy Regional Managing Director, Chief Country Representative for Vietnam, US-ASEAN Business Council

About AFPC

For more than four decades, the American Foreign Policy Council (AFPC) has played an important role in the U.S. foreign policy debate. Founded in 1982, AFPC is a non-profit organization dedicated to bringing information to those who make or influence the foreign policy of the United States. AFPC is widely recognized as a source of timely, insightful analysis on issues of foreign policy, and works closely with members of Congress, the Executive Branch and the policymaking community. It is staffed by noted specialists in foreign and defense policy, and serves as a valuable resource to officials in the highest levels of government.

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