

Vietnam and “chip & bamboo diplomacy”

by Guy Mettan,* Geneva



Guy Mettan
(Picture ma)

In 2022, I published a major report on the economic transformations of Vietnam, notably visiting the large *VinFast* electric car factory in Haiphong.¹ A friendship has linked me to this country for twenty-five years. In the early 2000s, I had to go there multiple times to prepare a book

on the *Geneva Accords* which ended the Indochina War in 1954 and I was able to meet a number of veterans of Dien-Bien-Phu, including the famous General *Giap*. The rapidity of the changes since then is fascinating.

When the Vietnamese Prime Minister visited the Davos Forum, the time has come to take stock. Last year, “chip & bamboo diplomacy” was not idle. Taking full advantage of the opportunities presented to it by the international situation, with the rise in power of the BRICS and the growing rivalry between the West (United States, Europe, Japan, and South Korea) on the one hand and China and Russia on the other, Hanoi has multiplied its state visits and partnerships with both camps.

Firm and flexible, tough, and supple, Vietnam oscillates and sways like bamboo, catching the slightest breeze and laughing at the storms that shake the globe. It discreetly spreads its rhizomes in all directions, like the fetish plant that populates its forests.

Last year, the country engaged in a series of high-level exchanges with both China and the United States, hosting both a state visit from Chinese President *Xi Jinping* and a state visit from US President *Joe Biden*, with whom a



Factory of the car manufacturer VinFast in Haiphong, Vietnam. (Picture VinFast)

“comprehensive strategic partnership” was signed.

To date, six countries have benefited from these partnerships: China, Russia, Japan, India, the Republic of Korea, and the United States. Australia is expected to join the club this year. A visit from President *Macron* is expected later this year. France is indeed seeking to strengthen ties in terms of security and infrastructure development. Another unprecedented diplomatic initiative is the one with the Vatican: since December, Hanoi has welcomed a representative of the Pope for the first time since 1945.

Finally, Vietnam intends to take advantage of its presence at the WEF to move forward in the areas that are close to its heart: agricultural innovation, green transformation, decarbonisation, reduction of waste and plastic, energy and digital transition, creation of a development center for the fourth industrial revolution. A meeting with the President of the Swiss Confederation *Viola Amherd* is also planned, in the hope of advancing the Vietnam-EFTA Free Trade Agreement.

With 5.05% in 2023, growth was slightly below expectations. But the country expects GDP growth of 6–6.5% in 2024 thanks to robust imports and exports, as well as stronger manufacturing activity.

Hanoi has the ambition to become a new center of the semiconductor industry (chips) and is putting the resources into it. This industry is experiencing a strong development with a series of investment projects worth around a billion dollars. The

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country plans to master 100% of the production stages of “Made in Vietnam” chips and intends to train 50,000 specialised engineers by 2030.

Like India and the South Asian countries, Vietnam is benefitting from China’s loss of attractiveness. It is attracting more and more large semiconductor industries from the United States, Korea and Taiwan with investments exceeding \$1 billion, such as Intel (\$1.5 billion), *Hana Micron Vina* from Korea (600 million, which is expected to reach one billion in 2025),

Amkor Technology Group of Korea (1.6 billion). *Samsung* is also in the running. Today, Vietnam accounts for more than 10% of the total amount of semiconductor chips imported into the United States, ranking third in chip exports to this country, after Malaysia and Taiwan.

See you in a year to check whether the bet has been kept.

¹ See also “Reporting from Vietnam” by the same author: <https://swiss-standpoint.ch/news-detailansicht-en-divers/from-noodles-to-the-car-that-rocks-tesla.html>