

Some impacts of the Russia - Ukraine conflict on Vietnam

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● **Abstract:** The military conflict between Russia and Ukraine, ongoing since early 2022, is a major geopolitical event with profound and wide-ranging impacts across the globe, including Vietnam. As a country with a strategically important geographical location, a deeply integrated economy, and a foreign policy of multilateralization and diversification, Vietnam faces numerous challenges in maintaining political stability, national security, and a balance in its foreign relations. This article analyzes and elucidates several impacts of the conflict on Vietnam's security and political situation, as well as its economy, encompassing both traditional and non-traditional security issues.

● **Keywords:** Russia - Ukraine conflict; impacts; Vietnam

1. Introduction

The military conflict between Russia and Ukraine, now in its third year, has resulted in severe human and material losses for both sides, creating the most significant geopolitical crisis in Europe since the Cold War. This conflict has impacted regional peace and security, unleashing profound and unpredictable ramifications on a global scale. Soaring energy prices, disrupted supply chains, escalating inflation, and intensified major power competition are among the most evident consequences of the war. Although geographically distant from the epicenter of the conflict, Vietnam, with its highly open economy and deep integration into the global market, has nonetheless experienced significant multifaceted impacts on its economy, politics, foreign affairs, and national security.

2. Content

2.1. Impact on traditional security issues

Firstly, security and defense

Since the onset of the Russia-Ukraine conflict, Vietnam has adopted a cautious approach, striving to minimize adverse effects on its bilateral relations with both Russia and Ukraine. Historically, Russia held a near-monopoly on arms sales to Vietnam, serving as its primary weapons supplier and accounting for approximately 60% of Vietnam's total arms imports as

of 2022. However, Western sanctions against Russia have caused significant disruptions to supply chains, impacting the maintenance and upgrading of Vietnam's weapons systems. This situation has created an urgent imperative to diversify supply sources and develop the domestic defense industry. Furthermore, continuing defense cooperation with Russia under international sanctions poses potential legal and financial risks for Vietnam. Financial transactions with Russia have become more difficult due to restrictions within the international payment system. This challenge compels Vietnam to carefully consider how to maintain its defense relationship with Russia while simultaneously seeking new partners to ensure its security and defense.

Since the mid-2010s, Vietnam has initiated efforts to diversify its arms suppliers to avoid over-reliance on any single country (e.g., procuring additional military equipment from Israel, Europe, the United States, and South Korea). The outbreak of the conflict has accelerated this process. Concurrently, amidst a volatile international security environment, Vietnam has promoted greater self-reliance in its defense industry. This includes cooperation with India, Israel, and some Eastern European countries (such as Belarus) to refurbish and integrate new technologies into existing radar, missile, and aircraft systems. It also involves investing in domestic defense enterprises (notably the Viettel Group) to research and produce reconnaissance drones, radar systems, infantry weapons, short-range air defense missiles, and more. Although these domestic products cannot yet replace modern weapons purchased from Russia, they have enabled Vietnam to gradually achieve partial self-sufficiency and reduce external dependence. Additionally, Vietnam has engaged in negotiations with the United States and France concerning aviation and naval equipment.

This policy of "defense diversification" aligns with the "Four No's" principle (no military alliances, no siding with one country against another, no foreign military bases on Vietnamese territory, and no use of force or threat to use force in international relations) and the principle of "one dependence" (reliance on one's own strength) as outlined in Vietnam's 2019 Defense White Paper. Diversifying defense relations helps Vietnam reduce its dependence on a single partner and enhances its autonomy in the defense sector. Parallel to these steps, Vietnam continues to maintain its traditional defense cooperation with Russia at an appropriate level.

It can be argued that the Russia - Ukraine conflict serves as a "litmus test" for Vietnam's "Four No's" defense policy and its balanced foreign policy approach. Moreover, Vietnam actively participates in multilateral forums and promotes defense cooperation with various partners to ensure national security. Through these measures, Vietnam has adapted to the new geopolitical landscape to protect its national interests and maintain regional peace and stability.

Secondly, economic security

The protracted Russia - Ukraine conflict has triggered profound disruptions in the global economic system, exerting considerable influence on Vietnam's economy. Vietnam's economic security, understood as its capacity to safeguard growth and economic stability against external shocks, has been affected by the war primarily through the channels of trade, investment, and financial markets. Immediately upon the outbreak of hostilities, the world economy, still fragile from the COVID-19 pandemic, was plunged into a new "storm": a sharp

surge in energy and food prices, diminished market confidence, and renewed fractures in supply chains that were just beginning to recover. In April 2022, the International Monetary Fund (IMF) downgraded its global economic growth forecast for 2022 to 3.6% (from a previous 4.4%) due to the war's impact. These external shocks quickly reverberated through Vietnam, an economy with one of the highest degrees of openness in the world.

First, pressure from imported inflation increased markedly, threatening macroeconomic stability objectives. Rising input material costs pushed up production expenses for Vietnamese enterprises by an average of 5-10%. Many transportation and logistics companies were forced to add fuel surcharges; plastic, chemical, and steel factories operated at a reduced capacity due to high oil and gas prices. The Producer Price Index (PPI) rose sharply in 2022, which was partly reflected in the increase in the consumer CPI. Throughout 2022-2023, the State Bank of Vietnam (SBV) implemented moderate monetary tightening (raising its policy rate by 2% in late 2022) to manage inflation expectations. Nevertheless, thanks to a sound macroeconomic foundation and flexible policy management, Vietnam maintained an inflation rate significantly lower than many other countries (3.2% in 2022)⁽¹⁾. Notably, Vietnam's GDP growth in 2022 still reached 8.0%, the highest in 25 years, despite global volatility. This success can be attributed to domestic momentum (the post-pandemic recovery) and specific features of its economic structure: Vietnam is a significant importer of fuel and raw materials, but it also exports many commodities that benefit from high global prices (crude oil, coal, agricultural products).

Second, Vietnam's international trade and investment flows experienced significant divergence. The direct economic relationship between Vietnam, Russia, and Ukraine faced clear negative impacts. Vietnam-Russia trade turnover plummeted (by nearly 50%) in 2022 due to sanctions. While two-way trade hit a record \$7.1 billion USD in 2021, it fell to approximately \$3.5 billion in 2022. The primary cause was the disruption of payment channels: many Russian banks were excluded from the SWIFT system, and the sharp depreciation of the ruble made settling import/export contracts exceedingly difficult⁽²⁾. Many Vietnamese enterprises temporarily halted exports of consumer goods and electronic components to Russia due to concerns over payment and transportation risks (flight routes to Russia were severely restricted).

Conversely, Vietnam's trade relations with other major markets saw compensatory growth. With the US, EU, China, ASEAN, and Japan, Vietnam maintained or increased its exports during the 2022-2023 period. Notably, exports to the US grew by 25% in 2022 (reaching \$109 billion USD) despite high US inflation, demonstrating the continued competitiveness of Vietnamese goods. The EU market also grew, partly fueled by the effective EU-Vietnam Free Trade Agreement (EVFTA), which allowed Vietnam to benefit from the diversion of orders away from Russia and, to some extent, China. For instance, the EU shifted some imports of seafood, wood products, and textiles, previously sourced from Russia to Vietnam. Foreign direct investment (FDI) inflows into Vietnam also remained stable, averaging around \$20 billion annually. European and American companies increasingly view Vietnam as a secure destination, especially compared to the heightened risk environment in Eastern Europe.

In the financial markets, foreign investors were net sellers of Vietnamese stocks in the initial months following the conflict's outbreak due to risk-off sentiment. However, they returned as net buyers by late 2022 as Vietnam's stable economic fundamentals became apparent. The Vietnamese Dong (VND) exchange rate exhibited relatively mild volatility compared to many other currencies, even as the US Federal Reserve aggressively raised interest rates. In September 2022, the VND depreciated by nearly 3.5% against the USD, but this was a smaller decline than seen in other regional countries. The fact that Vietnam avoided being swept into a vortex of high inflation and debt crisis, unlike some other nations (e.g., Sri Lanka, Pakistan), bolstered international investor confidence.

Third, Vietnam's economy faces potential risks should the conflict persist. The increasing fragmentation of the global economic and financial system, as the West isolates Russia, poses a significant threat. This trend could expand into broader US-China confrontation, leading to a bifurcated "two-bloc" world structure. Having greatly benefited from globalization, Vietnam would encounter substantial difficulties if the international trade and investment environment becomes fractured along geopolitical lines.

Regarding financial security, rising global interest rates strengthened the US Dollar, increasing pressure on Vietnam's external debt and the banking system (in late 2022, the State Bank of Vietnam had to sell foreign exchange reserves to stabilize the exchange rate).

Thirdly, impact on Vietnam's political and foreign affairs situation

In the realm of foreign affairs, the Russia-Ukraine conflict has served as a test of Vietnam's diplomatic acumen and resilience. As a medium-sized country with positive relations with China, Russia, and the West, Vietnam has skillfully balanced its interests and principles. At the United Nations, Vietnam abstained from votes on resolutions condemning Russia and voted against the suspension of Russia's membership rights in the Human Rights Council in April 2022. This stance reflects an effort to balance respect for international law with its comprehensive strategic partnership with Russia. This is a clear manifestation of "Vietnamese bamboo diplomacy"; a flexible multilateral diplomatic approach Vietnam has emphasized in recent years: "not choosing sides"; maintaining balanced relations with major powers, being adaptable yet resolute in protecting national interests. Vietnam has managed its relations with partners cautiously and effectively, upholding an independent, self-reliant foreign policy and maximizing national benefits.

In its relations with Russia, Vietnam maintains a consistent position, regarding Russia as a top-priority "comprehensive strategic partner" (established in 2012). Vietnam often abstained from UN resolutions condemning Russia related to the conflict in Ukraine while continuing high-level bilateral contacts with Russia. In May 2022, the Vietnamese President held a phone call with President Putin, emphasizing the traditional friendship and expressing a desire for a peaceful solution in Ukraine. In September 2022, General Secretary Nguyen Phu Trong met President Putin on the sidelines of the Shanghai Cooperation Organization (SCO) summit in Uzbekistan, where both sides reaffirmed their high political trust. From June 19-20, 2024, President Putin visited Vietnam; from January 14-15, 2025, Russian Prime Minister Mikhail Vladimirovich Mishustin paid an official visit to Vietnam. Additionally, numerous high-level

Russian delegations visited Vietnam. Cooperation mechanisms like the Vietnam-Russia Intergovernmental Committee were maintained; although bilateral trade turnover decreased, both sides affirmed their commitment to finding ways to revive it... These activities demonstrate that Vietnam values and preserves its special friendly relationship with Russia.

Regarding Ukraine, since establishing diplomatic relations in 1992, Vietnam and Ukraine have maintained friendly and cooperative relations in many fields. When the Russia-Ukraine conflict erupted, Vietnam implemented an independent, balanced, and multilateral foreign policy to protect its national interests while continuing to maintain and promote cooperation with Ukraine. Amid the conflict, diplomatic relations between Vietnam and Ukraine have been sustained through high-level contacts. Notably, in January 2025, Prime Minister Pham Minh Chinh met Ukrainian President Volodymyr Zelenskyy on the sidelines of the World Economic Forum in Davos, Switzerland. The leaders discussed the protection of Vietnamese citizens in Ukraine and future opportunities for economic and educational cooperation.

Concurrently with maintaining friendly relations with Russia and Ukraine, Vietnam also highly prioritizes maintaining and developing relations with other countries, particularly the US, EU, and US allies (Japan, South Korea, Australia). This group represents the largest share of Vietnam's trade and investment partners and plays a crucial role in Vietnam's strategy to balance influence with China. Therefore, Vietnam must ensure that its policy towards Russia does not harm its relations with the West.

During her visit to Hanoi in July 2022, US Vice President Kamala Harris stated that the US respects Vietnam's stance and desires enhanced cooperation in other areas (economy, climate change, health). This affirms the success of Vietnam's flexible and adaptable foreign policy: balancing relations with all sides despite tense confrontational circumstances.

The reality of the past three years shows that the US and EU continue to respect Vietnam's neutral stance, and Vietnam-US-EU relations have seen new progress. A prominent highlight was the upgrade of Vietnam-US relations to a Comprehensive Strategic Partnership in September 2023. This is the highest level of relationship, equivalent to Vietnam's relations with Russia and China.

Vietnam's relations with the EU, the UK, and Japan continue to be strengthened. Vietnam proactively explains its position on the Russia-Ukraine issue to other countries, stating its support for the principles of international law while acknowledging its unique historical relationship with Russia. Vietnam does not wish to be forced to choose sides among powers but aims to maintain an independent, self-reliant, diversified, and multilateralized foreign policy.

On the multilateral front, Vietnam has also acted deftly within ASEAN and the UN. Within ASEAN, member states have had varied reactions to Ukraine (Singapore strongly condemned Russia's military action in Ukraine, considering it a serious violation of international law, while Myanmar supported Russia; Vietnam and some others remained neutral). Vietnam has played a bridging role within ASEAN, attempting to narrow differences. At the UN, Vietnam served as a non-permanent member of the Security Council (2020-2021 term), ending its term just before the conflict, thus avoiding votes on Ukraine resolutions in the

Security Council. In the General Assembly, Vietnam was part of the minority abstaining, but it consistently affirmed its respect for international law and the UN Charter, while opposing unilateral sanctions and calling for peaceful solutions. In other international forums, Vietnam continued to promote development cooperation, provided humanitarian aid to Ukraine, supported the mediating roles of the UN and Turkey in achieving the Black Sea Grain Initiative, and participated in the international conference on Ukraine's reconstruction (by sending a representative to listen).

Overall, Vietnam's foreign policy in the context of the Russia-Ukraine conflict is a successful lesson in strategic balancing. Vietnam has both adhered to principle (not supporting the use of aggressive force, upholding international law) and employed tactical flexibility (not choosing sides, maintaining good relations with all parties). Consequently, Vietnam has not only avoided isolation or significant external pressure but has also elevated its diplomatic stature: becoming a comprehensive strategic partner to both the US and China, playing an active role in ASEAN, and being respected by the international community as a resilient and peace-loving nation. These achievements demonstrate that Vietnamese diplomacy possesses the capacity to respond adeptly to complex geopolitical challenges.

2.2. Impact on non-traditional security issues

Firstly, energy security

Vietnam's energy security has been discernibly affected by the Russia-Ukraine war, primarily through global oil and gas price volatility and shifts in the landscape of international energy cooperation. Russia is one of the world's largest energy exporters (the top exporter of natural gas, second for crude oil, and third for coal). When the conflict erupted, the West imposed severe sanctions on Russia's oil and gas sector. The consequence was an energy shock of a scale unseen since the 1970s, rippling across the globe.

Vietnam's petroleum market was not immune to this turmoil: domestic petrol prices were repeatedly adjusted upwards. Soaring fuel costs placed significant pressure on domestic inflation and production expenses. In response, the Vietnamese government implemented various price-stabilizing measures: reducing environmental taxes and special consumption taxes on petroleum, utilizing the Price Stabilization Fund to curb price hikes, and supporting businesses and citizens facing high energy costs. Due to this swift response, Vietnam avoided severe fuel shortages, which only occurred locally in some areas in late 2022 due to supply chain disruptions. This helped keep 2022 inflation below 4%⁽³⁾.

For Vietnam, a net importer of petroleum products, prolonged high energy prices could stimulate increased domestic crude oil extraction (to benefit from high prices) but also significantly raise the cost of importing refined petrol and liquefied petroleum gas (LPG). In 2022, Vietnam imported 8.87 million tons of petroleum, valued at 8.97 billion USD, a substantial increase of 27.7% in volume and 118.5% (corresponding to an increase of 4.86 billion USD) in absolute value compared to 2021⁽⁴⁾. The energy balance consequently came under great strain. However, Vietnam also had opportunities to leverage the new context: high oil prices helped the Vietnam Oil and Gas Group (PVN) increase crude oil export revenue and improve the efficiency of existing extraction projects.

Furthermore, as European companies withdrew from Russia, they tended to invest in safer energy markets, and Vietnam emerged as a potential destination. Indeed, in 2023, EU businesses showed increased interest in wind and solar power projects in Vietnam, partly due to Europe's strategy to rapidly transition to renewable energy post the Ukraine crisis⁽⁵⁾. By effectively capitalizing on this investment flow, Vietnam could simultaneously attract clean capital and technology and gradually reduce its dependence on imported fossil fuels, thereby ensuring long-term energy security.

However, in the long term, Vietnam needs to prepare plans for cooperation with partners like India, Japan, and the US in extraction projects or to enhance its own extraction capacity. Another direction is to accelerate the energy transition, reducing dependence on imported fossil fuels. The Vietnamese government approved Power Development Plan VIII (PDP VIII) in 2023, emphasizing the development of renewable energy and imported LNG. Although global LNG faced shortages and high prices following the Ukraine conflict, supply is expected to balance out after 2025 as new projects come online. Vietnam should seize the opportunity to sign long-term LNG import contracts at stable prices, while also expanding cooperation in offshore wind power, a sector where Vietnam has great potential and is attracting interest from European investors post-energy crisis. Together, these measures aim to build sustainable energy security less vulnerable to geopolitical shocks.

Secondly, food security

The Russia-Ukraine war delivered a major shock to global food security, as both Russia and Ukraine are top agricultural powers. Prior to the war, these two countries accounted for approximately 30% of global wheat exports and 78% of sunflower oil exports⁽⁶⁾, while also being crucial suppliers of grains and fertilizers to many regions. The outbreak of hostilities severely disrupted agricultural production and exports from Ukraine (due to blockaded Black Sea ports), while sanctions against Russia and export restrictions imposed by Russia itself fractured global food and fertilizer supply chains. Prices of essential commodities like wheat, corn, and vegetable oil on the world market surged by 30-50%, triggering food inflation in a multitude of countries, particularly those dependent on imports. The UN Food and Agriculture Organization (FAO) warned that an additional 8-13 million people worldwide could face undernourishment during the 2022-2023 period if food exports from Russia and Ukraine were completely disrupted⁽⁷⁾. Although Southeast Asian countries are self-sufficient in their staple food (rice), they were not immune: a shortage of feed grains and high fertilizer prices placed considerable pressure on their agricultural sectors.

Within this context, Vietnam's food security remained generally assured thanks to its robust domestic agriculture, though it could not avoid some adverse indirect impacts. Vietnam is a leading global rice exporter and self-sufficient in its staple food, so its population faced no risk of rice shortages. Indeed, rising global food prices allowed Vietnamese rice to command better prices, creating opportunities for farmers and export enterprises. However, Vietnam relies significantly on imports of wheat, corn, and soybeans for food processing and animal feed. The country managed to avoid severe domestic food shocks.

The government proactively adjusted import-export policies to stabilize supply, temporarily halting exports of certain scarce food items (e.g., restricting fertilizer exports, increasing rice reserves) and facilitating supplementary imports (such as reducing import duties on pork and cooking oil to cool domestic prices). Concurrently, Vietnam actively participated in international efforts to stabilize food security. In July 2022, Vietnam supported the UN initiative to establish a Black Sea grain corridor for Ukrainian exports, contributing to the cooling of global food prices.

The crisis underscored the imperative to diversify supply sources and enhance food self-sufficiency. Vietnam learned the lesson that it must maintain sufficiently large national reserves of essential commodities (rice, corn, wheat, soybeans) to cope with unexpected trade disruptions. International agricultural cooperation with India and Australia to secure wheat supplies, and efforts to find stable sources of potash from Canada and Israel, were also intensified. Furthermore, Vietnam continued to leverage its advantage in rice exports, joining Thailand in providing food aid to some deficit countries (in 2022, Vietnam donated thousands of tons of rice to struggling African nations). Consolidating its position as a “reliable food supplier” helps Vietnam both enhance its international reputation and secure output for its domestic farmers. Thus, Vietnam’s food security stability is attributable to flexible policies and a strong agricultural base. In the long term, to protect its interests, Vietnam will join the international community in advocating for the depoliticization of food flows and rejecting the use of food as a “weapon” in conflicts, as this threatens the well-being of hundreds of millions of people worldwide, including developing nations like Vietnam.

2.3. Other non-traditional security areas

The Russia-Ukraine conflict has exacerbated the challenges of climate change and environmental security on a global scale, indirectly affecting Vietnam, a country highly vulnerable to climate change. Europe’s urgent reduction of Russian gas imports led to a short-term trend of increased reliance on coal and other “dirty” fossil fuels to compensate for energy shortfalls. Consequently, global CO₂ emissions in 2022 did not decrease as hoped but instead risked increasing. International climate conferences (e.g., COP 27 in 2022) were also distracted by the geopolitical crisis, causing financial commitments to global climate funds to stagnate. For Vietnam, this implies that efforts to limit temperature rise and provide climate finance support to vulnerable nations could be delayed. Vietnam has set a goal of achieving net-zero emissions by 2050 and critically needs international support (technology, capital) for its energy transition. If wealthy nations divert resources due to the war, this process will become more difficult. Furthermore, the risk of a nuclear accident at power plants in Ukraine (such as concerns over the Zaporizhzhia facility) sounds a stark warning about nuclear security. Any radiological incident in Europe could indirectly impact the global environment and public health, including in Vietnam.

Regarding health and humanitarian security, the hostilities in Ukraine triggered the largest refugee crisis in Europe since World War II, with over 8 million Ukrainians forced to flee their country for refuge elsewhere. Vietnam was not a primary destination for these refugee flows, but it has a community of over 7,000 citizens living, working, and studying in Ukraine.

Immediately after the conflict erupted, the Vietnamese government organized an evacuation campaign to safely bring its citizens home from the war zone (in March 2022, dozens of rescue flights brought nearly 5,000 Vietnamese nationals from Ukraine back to Vietnam). Vietnam contributed USD 500,000, including USD 100,000 to the Central Emergency Response Fund (CERF); USD 100,000 to the World Health Organization; USD 100,000 to UNICEF; and USD 200,000 channeled through the Vietnam Red Cross Society to the Ukrainian Red Cross, thereby contributing to humanitarian support for the people of Ukraine⁽⁸⁾.

3. Conclusion

The Russia-Ukraine conflict, now in its third year, has significantly impacted Vietnam's security and political landscape. Its effects extend beyond traditional security domains, influencing various non-traditional security issues. While presenting certain development opportunities, the conflict has primarily posed multifaceted challenges, compelling Vietnam to leverage its internal strengths to overcome difficulties and move forward.

The experiences gained in mitigating the conflict's adverse impacts, such as diversifying arms procurement markets, fostering self-reliance in the defense industry, steadfastly adhering to the "Four No's" defense policy, practicing balanced diplomacy, ensuring the flow of essential goods, enhancing cyber defense and countering disinformation, and maintaining cooperation on climate change and health, serve as a catalyst. These experiences further bolster Vietnam's capacity to address non-traditional security challenges, solidify its international prestige and position, and allow it to stride confidently into a new era ■

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