

U.S.-Vietnam Relations

Since the establishment of diplomatic relations between the United States and the Socialist Republic of Vietnam in 1995, overlapping strategic and economic interests have led the two countries to expand ties across a wide spectrum of issues. Particularly since 2010, the two governments have formed partnerships on many regional security and economic issues, prompted in part by shared concerns about the Peoples Republic of China's (PRC's, or China's) increased assertiveness. In 2023, the two countries elevated their relationship to a "comprehensive strategic partnership." In 2024, the United States was Vietnam's second-largest trading partner (after China), and Vietnam was the United States' eighth-largest trading partner. Congress has played a significant role in charting the course of U.S.-Vietnam relations during the more than three decades since the two began normalizing relations in the early 1990s. In particular, some Members have been at the forefront of efforts to improve relations, highlight human rights conditions, and address unresolved issues from the Vietnam War. If Vietnam agrees to purchase U.S. F-16 fighter jets, as has been reported, Congress would have the opportunity to review, and potentially to reject, the sale. Congress may monitor and conduct oversight of the Trump Administration's unilateral tariffs on Vietnamese products and potential agreements from ongoing negotiations.

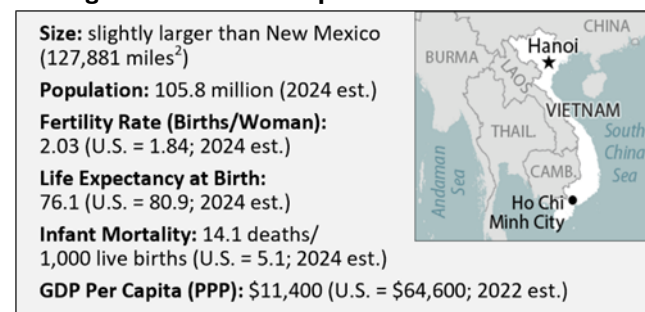
The pace and extent of further improvement in bilateral relations is limited by several factors. First, Vietnam usually does not undertake large-scale diplomatic moves—especially with the United States—without first calculating China's likely reaction, and Hanoi and Beijing share interests on many issues. Second, although opinion polls show the Vietnamese public holds positive views of the United States, many Vietnamese officials suspect that the United States' goal is to end the Vietnamese Communist Party's monopoly on power through "peaceful evolution." Third, U.S. concerns about Vietnam's human rights record, which has deteriorated over the past decade, historically have limited the types of cooperation the U.S. government is willing to undertake, particularly in the security sector. Additionally, some Vietnamese and U.S. analysts say that the second Trump Administration's policies, including its threats of bilateral tariffs against Vietnam and cessation of assistance programs, may cause Vietnamese leaders to hesitate to pursue initiatives that potentially make them more vulnerable to U.S. pressure.

Vietnam's Political Structure and Policy Direction

Vietnam is a one-party, authoritarian state ruled by the Communist Party of Vietnam (CPV), which sets the general policy direction, leaving most day-to-day implementation to the government. The top leadership post is the CPV General Secretary (currently To Lam, born 1957), followed by the Prime Minister, (Pham Minh Chinh, 1958). The state President and the Chairperson of the National Assembly

also are important posts. When Lam's predecessor died in 2024, the CPV selected Lam to assume the position for the remainder of the term, which ends in 2026. Prior to becoming General Secretary, Lam served as head of the Ministry of Public Security (MPS), where he helped carry out an anti-corruption campaign that led to the resignations of six Politburo members (out of 18).

Figure 1. Vietnam Map and Selected Statistics



Sources: *The World Factbook*, 2024. Map by CRS.

Vietnam's policy and political scenes increasingly are dominated by the CPV's upcoming Party Congress, which is expected to be held in early 2026. Held every five years, Party Congresses determine personnel positions and set the direction for Vietnam's economic, diplomatic, and social policies. Some observers believe Lam may be seeking to secure reelection, which would require obtaining an exemption from the mandatory retirement age of 65. Under Lam, Vietnam is restructuring Vietnam's political system, including reducing regulations, cutting 20% of public sector jobs, reducing the number of ministries from 22 to 14, merging some state and party institutions, and halving the number of Vietnamese provinces. Lam says these moves are necessary to achieve the CPV's goals of Vietnam becoming an upper middle-income economy by 2030 and a high-income developed country by 2045.

For over a decade, Vietnam's leaders also have tried to meet these goals by diversifying the country's export markets and sources of foreign direct investment (FDI). On foreign policy, Vietnam's approach has included boosting its defense capabilities and expanding its security relationships with the United States, Australia, India, and Japan as a hedge against China. A stated principle of Vietnam's foreign policy is avoiding an over-dependence on any one country or group of countries. This pursuit of balance, combined with a wariness of alarming China, has resulted in Vietnam expanding relations with the United States incrementally and in a nonlinear fashion.

China-Vietnam Relations

Vietnam's relationship with China is its most important bilateral relationship. The two countries have Communist Party-led political systems that provide a party-to-party communication channel and engender similar official

worldviews. China is Vietnam's largest trading partner, and since 2022—including during an April 2025 visit to Hanoi by Communist Party Secretary General and PRC President Xi Jinping—the two countries have signed dozens of economic agreements that, among other steps, would upgrade transportation links between the two countries. The Sino-Vietnamese relationship, however, is prone to tension, particularly over PRC dams on the upper Mekong River and the two countries' competing claims in the South China Sea. The U.S. government has sought to improve Vietnam's ability to maintain maritime domain awareness and patrol its coastal waters. The Obama, first Trump, and Biden Administrations provided Vietnam with 24 new coast guard patrol vessels, unmanned aircraft systems, coastal radar, and three decommissioned U.S. Coast Guard Hamilton-class cutters, Vietnam's largest coast guard ships.

Human Rights

For the past three decades, the CPV appears to have followed a strategy of permitting many forms of personal and religious expression, while selectively repressing individuals and organizations that it deems a threat to the party's monopoly on power. Over the past decade, according to many observers, repression against dissenters has worsened, and the government has increased its legal and technological capacity to monitor Vietnamese citizens' social media activity. In the 118th Congress, the Vietnam Human Rights Act (H.R. 3172) would have prohibited some types of U.S. assistance to Vietnam's MPS and required the executive branch to put more emphasis on ensuring internet freedom in Vietnam.

Economics and Trade

Over the past decade, Vietnam has emerged as a major manufacturing center and has risen to become one of the United States' top 10 trading partners. Based on U.S. trade data, bilateral trade in goods was \$150 billion in 2024, down 21% from 2023. The U.S. bilateral trade deficit in goods with Vietnam in 2024 (\$123 billion) was the United States' third largest. Vietnam is a major U.S. source for consumer electronics, furniture, semiconductor and parts, apparel, and footwear imports. Top U.S. goods exports to Vietnam are cotton, civilian aircraft and parts, semiconductors, and various agricultural goods. The United States had a \$1.4 billion surplus with Vietnam in bilateral services trade in 2024.

As bilateral trade flows have increased, U.S. business interest in Vietnam has grown, fueled by Vietnam's relatively low wages, market-oriented economic reforms, and political stability. Several trends have added to investor interest, including rising production costs in China, U.S. tariffs on PRC products and supply chain diversification, and the entry into force of regional trade agreements among Vietnam and key trading partners in East Asia. Similar factors have increased other foreign investors' interest in Vietnam, including by PRC companies. As of 2023 (latest data available), U.S. foreign direct investment in Vietnam was \$3.8 billion, up 10% from 2022. The U.S. government has identified relatively high Vietnamese tariffs on food and agricultural products, lack of regulatory transparency, inadequate protection of intellectual property rights, digital trade issues, and more as barriers to trade.

Under the 2023 upgrade of the bilateral relationship, the Biden Administration aimed to increase economic cooperation, including increasing U.S. investment in Vietnam and supporting the growth of Vietnam's manufacturing capacity in sectors of U.S. interest, such as semiconductors and critical minerals. The Trump Administration's trade policy has brought about uncertainty for investors in Vietnam and export-oriented Vietnamese industries. On April 2, 2025, President Trump issued an executive order imposing a 10% tariff on most products from nearly all countries, including Vietnam, and a country-specific tariff of 46% for Vietnamese products—the second-highest tariffs levied on any country in the announcement. The President announced a 90-day pause of the country-specific rates on April 9. The 10% tariff went into effect on April 5. The Trump Administration also initiated investigations that may result in additional tariffs on imports of semiconductors as well as critical minerals, both of which are growing industries in Vietnam. Vietnamese officials have begun negotiations with the Trump Administration to address market access issues for U.S. exports to Vietnam and other trade issues. Ahead of negotiations, the Vietnamese government reportedly began to increase enforcement to prevent illegal transshipment of PRC-made products through Vietnam, which has been an ongoing concern for U.S. policymakers, including some Members of Congress.

U.S. Foreign Assistance to Vietnam

From FY2023 to FY2025, Congress appropriated around \$200 million annually for assistance to Vietnam. It is unclear how much of this assistance will survive the Trump Administration's foreign aid cuts, which reportedly have eliminated most health, climate, and technology programs. Reportedly, the Administration has resumed many of the United States' Vietnam War legacy programs after suspending them in early 2025. In one such initiative, Congress since 2007 has appropriated over \$500 million for remediating the Vietnam War-era damage and related health problems from the U.S. military's use of Agent Orange and its accompanying dioxin defoliant over Vietnam between 1961 and 1971. In 2020, the U.S. and Vietnamese governments developed a 10-year dioxin remediation plan for cleaning up the Bien Hoa airbase, with an estimated total cost of up to \$450 million. Although the cleanup officially continues, the project's future beyond FY2025 is uncertain because of the Trump Administration's elimination of the U.S. Agency for International Development (USAID), which has provided staff to administer the program. For the dioxin-related health treatment programs, some contractors reportedly have not been able to restart operations that they halted due to the Administration's early 2025 funding freeze. Congress has been at the forefront of creating and continuing many of these reconciliation programs, which have helped foster the trust that arguably has enabled the expansion and deepening of overall U.S.-Vietnam relations.

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