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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 People's 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. The second Trump Administration has continued many of the increases in bilateral security cooperation undertaken by its predecessors, has imposed unilateral tariffs on Vietnam, and, in October 2025, announced a framework for a bilateral trade agreement.

For decades, Congress has played a significant role in charting the course of U.S.-Vietnam relations. 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 rumors of Vietnam's interest in purchasing U.S. military aircraft become reality, Congress would have the opportunity to review the sale. Congress may monitor and conduct oversight of U.S. tariffs on Vietnam and the October 2025 trade agreement.

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 Communist Party of Vietnam's (CPV's) monopoly on power. 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, the second Trump Administration's bilateral tariffs against Vietnam, sudden freezing and later cessation of some bilateral aid programs, as well as Vietnamese perceptions that the Administration's foreign policy decision-making can be unpredictable reportedly are increasing Vietnamese leaders' questions about U.S. reliability.

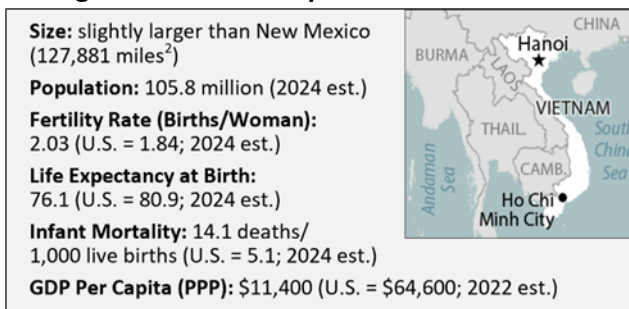
Vietnam's Political Structure and Policy Direction

Vietnam is a one-party, authoritarian state ruled by the CPV, which sets the country's 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).

Vietnam's policy and political scenes increasingly are dominated by preparations for the CPV's upcoming Party Congress expected to be held in January 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 has restructured its 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.

Figure 1. Vietnam Map and Selected Statistics



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

For over a decade, Vietnam's leaders 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 leader Xi Jinping—the two countries have signed dozens of economic agreements that, among other steps, would upgrade

transportation links. 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 cutters, Vietnam's largest coast guard ships. In November 2025, Secretary of Defense Pete Hegseth (who is using "Secretary of War" as a secondary title), visited Vietnam, and the two sides discussed deepening defense cooperation.

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, repression against dissenters has worsened, and the government has increased its legal and technological capacity to monitor Vietnamese citizens' social media activity. In the 119th Congress, the Vietnam Human Rights Act (H.R. 3122) states that the President "should" impose sanctions on Vietnamese government officials found to be involved in various human rights abuses.

Economics and Trade

Over the past decade, Vietnam has emerged as a major manufacturing center and has become one of the United States' top 10 trading partners. Based on U.S. data, the value of bilateral trade in goods (\$150 billion in 2024) more than tripled over the past 10 years. 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 \$1.7 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—including rising production costs in China, U.S. tariffs on PRC products, supply chain diversification, and the entry into force of regional trade agreements between Vietnam and key trading partners in East Asia—have increased Vietnam's attractiveness to foreign investors, including PRC companies. In 2024, U.S. foreign direct investment in Vietnam was \$4.4 billion, up 8% from 2023. 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.

On October 26, 2025, the United States and Vietnam issued a joint statement on a framework for an Agreement on Reciprocal, Fair, and Balanced Trade. The potential agreement, first announced by President Trump in July,

would be the result of bilateral trade negotiations prompted by the Trump Administration's various tariff actions during 2025. On April 2, 2025, President Trump imposed 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. President Trump then issued an executive order on July 31 that lowered the country-specific tariff on Vietnamese goods to 20% and imposed an additional 40% tariff on imports determined to have been transshipped through Vietnam to evade applicable duties.

According to the October joint statement, the potential agreement would aim to address: access to Vietnam's market for U.S. industrial and agricultural exports; Vietnam's nontariff barriers; commitments on digital trade, services, and investment; cooperation on supply chain resiliency, including on "duty evasion and cooperating on export controls;" and more. U.S. tariffs on Vietnamese goods would remain at 20%, with exceptions for certain products not produced in the United States. The statement indicates the two countries are to "undertake domestic formalities" for the agreement to enter into force but did not indicate whether the President may seek congressional approval of the trade agreement. The joint statement does not address potential sectoral tariffs that may affect industries in Vietnam as the Trump Administration conducts national security investigations on various imports, including on semiconductors and critical minerals.

U.S. Foreign Assistance to Vietnam

From FY2023 to FY2025, Congress appropriated around \$200 million annually for aid to Vietnam. It is unclear how much of this aid has survived the Trump Administration's foreign aid cuts, which halted most health, climate, and technology programs in the country. Congress has championed the creation of many Vietnam War reconciliation programs, which arguably have enabled the expansion and deepening of overall U.S.-Vietnam relations. Since 2007, Congress has appropriated over \$500 million for remediating the Vietnam War-era damage and related health problems resulting 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 the Bien Hoa Airbase, with an estimated total cost of up to \$450 million. In early 2025, the Trump Administration suspended this and other war legacy programs. It resumed them several weeks later. In his November 2025 visit to Vietnam, Hegseth said the programs are "the foundation" of bilateral strategic cooperation and pledged to continue funding them. Since FY2021, Congress has authorized the transfer of up to \$15 million from the Defense (War) Department to the State Department for use in the Bien Hoa cleanup. The House and Senate-passed versions of the FY2026 National Defense Authorization Act (H.R. 3838, §1312 and S. 2296, §1232) would continue this authorization.

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