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Vietnam's bamboo diplomacy in the tailwinds, headwinds and crosswinds

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From the apparent “winner” of the U.S.-China trade war to allegedly the “[biggest loser](#)” in U.S. President Donald Trump’s imposed Liberation Day tariffs, Vietnam is in the spotlight navigating big geo-economic and geo-political waves. It’s the testing time for the country’s signature Bamboo Diplomacy – can it sustain the growing pressure from stormy relations with major powers?

This year, Vietnam celebrates its 80th and 50 years of independence and unification since the end of the “American war” in 1975, among other major diplomatic milestones. Once diplomatically isolated in the past decades, not only has it normalised relations with major powers and former adversaries but integrated with the world, caught up with the globalised economy and become an essential member of key regional multilateral organisations, such as the Association of Southeast Asian Nations (ASEAN). In the increasingly tense geopolitical environment, Hanoi is skillfully navigating the choppy waters. With the U.S. – China rivalry, Vietnam refused to take sides and positioned itself to benefit from the ongoing trade war. Strategically, Vietnam remains an active claimant in the South China Sea and faces challenges from increasingly assertive Beijing. Hanoi is actively expanding its defence and diplomatic network following the concept of “[multi-alignment](#)” to offset the power asymmetry with China. Its relations with Japan, Australia, South Korea, India, the European Union and beyond are thriving which is reflected in the growing numbers of “Comprehensive Strategic Partnerships” in recent years. However, with President Trump’s tariffs announcement on the “[Liberation Day](#)”, Vietnam stands to be hard hit by the geo-economic headwinds ahead. How will this emerging middle power maneuver the increasingly complex global environment? This article will explain the foundations of Vietnam’s foreign policy principles of “bamboo diplomacy” and interpret its strategic choices going forward., Vietnam stands to be hard hit by the geo-economic headwinds ahead. How will this emerging middle power maneuver the increasingly complex global environment? This article will explain the foundations of Vietnam’s foreign policy principles of “bamboo diplomacy” and interpret its strategic choices going forward

Vietnam was listed among the hardest-hit by the new tariffs, 46% on goods exported to the U.S. market, which, if implemented, could seriously challenge the country’s economic growth projection and complicate its growth model. Vietnam’s trade exceeds 200% of its GDP, so for a country heavily dependent on manufacturing and export, the sudden tariff imposition could seriously disrupt production plans. The U.S. is currently Vietnam’s largest export destination and is worth as much as 27% of the country’s GDP.

Despite the vulnerability and disappointment, Vietnam is far from desperation. **Proactiveness is Vietnam’s secret recipe.** From the long list of economies around the world hit by the tariff announcements, Vietnam was the first one to act and successfully secured a phone call with President Trump. Vietnamese diplomats had prepared the ground and as an effect, they avoided

losing critical time to get over the initial shock. Despite the fact that the results were still far from the desired outcome for Vietnam – still bearing [20% tariffs](#) negotiated down from 46% on goods exported to the U.S. and 40% on goods deemed as transshipped from China through Vietnam. The proactiveness and pragmatism that Hanoi showed impressed not only the White House but also gained acknowledgement from the global partners.

“**Right now, Vietnam hedges like crazy**” – an observer told me. And if it was not already practicing hedging and expanding diplomatic and trade relations before with notable successes, it is certainly perfecting it now. **Bamboo diplomacy is yielding the payoff.** Vietnam became the first destination for some key world leaders following the global anxiety caused by President Trump’s tariffs. China’s President Xi Jinping, Japanese Prime Minister Shigeru Ishiba, and French President Emmanuel Macron were among some of the first ones to visit Hanoi to cement and elevate relationships

Amidst the turbulent global geo-politics and geo-economics, Vietnam doubles down on bamboo diplomacy. It enhanced relations with near neighbours by adding Singapore, Indonesia and New Zealand to the Comprehensive Strategic Partnerships list this year alone. Amidst the mounting domestic agenda, including a major [administrative reform](#) and preparations for the upcoming Party Congress in early 2026, Secretary General To Lam paid a visit to the [Republic of Korea](#) (ROK) to establish rapport with the newly elected President, Lee Jae Myung. The ROK has been a top investor in Vietnam for decades and its support in Vietnam’s semiconductor ambitions is critical.

Vietnam is not alone. Australia’s Foreign Minister, [Penny Wong’s visit](#) last month confirms that trend. There is a lot of positive agenda for cooperation that active middle powers like Australia and Vietnam can do together, especially when they share a common. **The more turbulent external environment, the stronger need for resilience – bamboo’s signature quality.**

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