

SOME FEATURES OF THE ECONOMIC COOPERATION BETWEEN VIETNAM AND RUSSIA IN THE PERIOD 2001-2017

Bui Thi Huyen^{a*}

^a*The Faculty of Social Sciences, University of Economics Ho Chi Minh City, Ho Chi Minh City, Vietnam*

^{*}*Corresponding author: Email: huyenbt@ueh.edu.vn*

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Abstract

The article discusses economic relations between Vietnam and Russia from 2001 to 2017 in the fields of trade, investment, and cooperation in oil and gas production. It draws the following characteristics: (i) The economic relations of Vietnam and Russia from the past to the present are fueled by good political-diplomatic relations; (ii) The economic relations are conducted by two transitional market economies with huge differences in size, development level, values, and strategies; (iii) The outstanding feature of the Vietnam–Russia bilateral economic relationship has undergone an overall change, shifting from ideological principles to the principle of mutual trust and equality of mutual benefit; (iv) Although economic relations between Vietnam and Russia have achieved positive results, they are not commensurate with the potential and advantages of each country, or with traditional friendship relations and comprehensive strategic partnerships. The results of economic cooperation have not reached the level set by political goals.

Keywords: Comprehensive strategic partnerships; Investment; Oil and gas energy; Trade; Vietnam-Russia economic relations.

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1. INTRODUCTION

Economic relations between Vietnam and Russia are inherited from the traditional friendship between Vietnam and the Soviet Union (1950-1991). The Soviet Union supported Vietnam in building many key economic sectors such as energy and industry, effectively serving the process of national construction. In 1991, the Soviet Union collapsed; Russia (or the Russian Federation) was formed and bilateral economic relations between Vietnam and Russia continued. Although the two countries have re-established bilateral relations, many difficulties are stalled at early stages since the two countries have not yet developed a new cooperation framework in the post-Soviet period. The cause of this “stagnation” is mainly the change in the international situation, particularly the breakdown of the old cooperation mechanism between Vietnam and the Soviet Union. Meanwhile, a new cooperation mechanism has not been established. The fact that Russia took over Vietnam’s debt to the Soviet Union is also one of the reasons hindering economic relations between Vietnam and Russia.

At the turn of the twenty-first century, the changes in the economic and political situation in the world had certain impacts on promoting cooperation between Vietnam and Russia. During President V. Putin’s visit to Vietnam from February 28 to March 2, 2001, Vietnam and Russia issued a “Joint Statement on Strategic Partnership” (Báo Nhân dân, 2001). This new cooperation framework has brought a new vitality to the development of relations between the two countries. In particular, the fields of trade and investment cooperation in oil and gas energy are highly valued by both countries in their bilateral economic relations.

Historically, Vietnam and the Soviet Union had a good relationship. When the Russian Federation was established, both countries built transitional economies. The two countries are quite consensual in political-diplomatic relations. In economic relations, Vietnam and Russia have found new cooperation methods and applied them flexibly and more diversely than in the previous period to mutually achieve practical benefits. Vietnam and Russia have both joined the World Trade Organization (WTO), and the two countries also upgraded their relationship to a “Comprehensive Strategic Partnership” in 2012 (Báo Nhân dân, 2012). This shows the long-term commitment of interests, and it supports and promotes extensive and comprehensive cooperation in all fields for mutual benefit. In particular, in October 2016, the Free Trade Agreement between Vietnam and the Eurasian Economic Union officially took effect, making an important contribution to promoting bilateral economic cooperation between Vietnam and Russia to a new level.

Through the results of research and evaluation of sources, this article points out achievements and limitations in Vietnamese-Russian economic relations and the main characteristics of economic cooperation in the period 2001-2017.

2. ECONOMIC COOPERATION PROCESS OF VIETNAM-RUSSIA IN THE PERIOD 2001-2017

2.1. Economic relations between Vietnam and Russia were inherited from the traditional relationship between Vietnam and the Soviet Union and promoted by political and diplomatic relations

In the 1950-1991 period, the relationship between Vietnam and the Soviet Union was built on the foundation of the same ideology; the two sides not only gave each other support and shared responsibility but also together contributed to mutual development in many fields, especially in the political-diplomatic sphere. In the economic field, the Soviet Union provided Vietnam with more than 10 billion rubles to invest in several fundamental economic sectors, such as energy, mining, metallurgy, and mechanical engineering (Vũ & Nguyễn, 2008, p. 201). The Soviet Union helped Vietnam train a large team of experts and managers in many fields. Therefore, in the economic cooperation plan between Russia and Vietnam, projects dating back to the Soviet era are prioritized for development. In 1994, the Treaty on Basic Principles of Friendship Relations between the Russian Federation and Vietnam was signed during Prime Minister Vo Van Kiet's visit to Russia. This visit marked the beginning of Russia's cooperation policy with Vietnam after the Cold War (quoted in Luru, 2018, p. 71; Vũ, 2016, p. 67). With the above efforts, the relationship between Vietnam and Russia has gradually improved in quality on the principle of equality and mutual benefit. Russia acknowledged the leading role of Vietnam in its Asia-Pacific strategy for Southeast Asia, first to create a new legal basis for Russia-Vietnam relations (1994-1996) and then to promote the development of bilateral relations to a long-term and stable strategic level (1997-1999).

At the beginning of the 21st century, Vietnam and Russia quickly established a strategic partnership (Báo Nhân dân, 2001), which demonstrates the high political will and reliability of the two countries in restoring traditional alliance relations. The two countries have many similar views on international matters and always support each other in multilateral cooperation forums, such as the United Nations, APEC, ASEM, and ASEAN. In the economic field, the policies of both Russia and Vietnam do not have such barriers as trade conflicts. From the foundation of development in political and diplomatic relations, Vietnamese-Russian relations are also promoted in the fields of the economy and trade. Therefore, the issue of economic cooperation always occupies the top position on the agenda of high-level contacts and exchanges between the two countries.

In terms of political-economic relations, Vietnam and the Russian Federation have a long history of cooperation. The long-term cooperative relationship between the two countries has created favorable conditions for the implementation of important large-scale strategic projects. It allows and encourages both sides to boldly invest the necessary material and financial resources to maintain the growth rate and sustainable development of all fields of relations, especially the relationship between the economy, trade, and investment.

Economic relations between Vietnam and Russia are not just one-way. In Russia, in the field of trade, the Vietnamese community has established business partnerships

with many Russian customers. These cooperative relationships have contributed to import and export trading of Vietnamese and Russian goods. In addition, the Vietnamese community also plays a substantial role in Vietnam's direct investment in Russia through food processing plants, agricultural products, and trade centers. This is the basis to contribute to the sustainable development of trade and investment relations between Vietnam and Russia.

2.2. Economic relations between Vietnam and Russia takes place between the two transitional market economies; however, there is a huge difference in scale, development level and difference in values and strategies

Vietnam and Russia are both focusing on restructuring their economies according to the market economy model, openly integrating into the world actively and proactively. However, the economic relationship between the two countries is dominated by the big disparity in size and development level, and by differences in values and strategies of the two countries. According to the World Bank (2015), the Russian economy is the 12th largest economy in the world as of 2015 and Russia is the country with the largest, most abundant natural resources in the world. Thus, in the industrial sector, Russia can produce and supply fuel and raw materials entirely by itself. In addition, the level of science and technology, especially the basic sciences and space science, is quite high in Russia. The Russians have a high level of education, a large number of specialized scientific and technical staff, and skilled workers. Paul Kennedy once said: "The strength of a nation depends not only on its armed forces but also on economic and technical resources, ingenuity, foresight, and determination of foreign policy; on the force of the socio-political organizations of that country. First of all, it includes the nation itself: its talented, energetic, ambitious, disciplined, and innovative people" (Kennedy, 1992, p. 70). Russia is well supplied with these elements.

Vietnam is a developing country with a low middle income that is industrializing and modernizing to achieve the goal of becoming an industrial country. According to The World Factbook (n.d.), Vietnam's economy, the seventh-largest in Southeast Asia, grew by 5.5% in 2014. Overall, in 10 years (2006-2015), GDP per capita increased about 3.5 times. This rate of growth ranked 16th in the world. According to Tổng cục thống kê (2017a). Vietnam has achieved a growth rate of 6.81%, industrial production increased by 9.40%, and FDI capital reached 35.88 billion USD." Comparison shows that the advantage in cooperation is still in favor of Russia in many aspects, such as position, capital, techniques, technology, etc. This feature has created many favorable opportunities for Vietnam, yet poses many challenges. However, in the economic relations between Vietnam and the Russian Federation, opportunities are greater than challenges, and cooperation is greater than conflict. In particular, the fact that the two countries have joined the WTO and the Free Trade Agreement between Vietnam and the Eurasian Economic Union implemented since 2016 is a very basic advantage for both Vietnam and Russia to further promote the advantages of cooperation between the two countries.

Another difference between Vietnam and Russia is the political regime. Russia follows capitalism, political pluralism, and multiparty opposition. Vietnam is a country under socialism; the government power belongs to the people and is under the comprehensive leadership of the Communist Party of Vietnam. Accordingly, Vietnam's general economic model is a socialist-oriented market economy. This means that economic growth does not follow profit and surplus value at all costs, but must be associated with progress and social justice. To achieve this goal, the regulatory and management role of the government is very important. Due to the difference in political regimes, the economic regimes of Vietnam and Russia are also different. For Russia, as a capitalist economy, the private-sector economy plays the leading role; for Vietnam, as a socialist-oriented economy, the government economy plays the leading role. These two economies may be different in their goals and ideals, yet they have the same dynamics—the market economy. Both countries require international economic integration for the sake of development; therefore, difficulties and contradictions in the process of economic cooperation are resolved through struggle by peaceful means. This struggle is based on the common rules, laws, and norms of the world.

Despite the large difference in level and size of the two economies and the difference in values and strategies, the main binder in economic relations between Vietnam and Russia is the practical interests of both sides. For the Russian Federation, the development goal is to become a great nation of the world “having as many equal partners as possible, both in the West and in the East” (Thông tấn xã Việt Nam, 2014, pp. 6-7). And Vietnam's goal is to become an industrialized, multilateral, and diversified country in international relations and to actively integrate into the international economy. This difference has strongly influenced the foreign economic policies and changes in those policies by both Vietnam and the Russian Federation to maximize economic benefits.

In the 2001-2011 period, the focus of Russia's foreign economic policy was on balancing Eurasia in which Europe remained the focus as Russia “must learn how to protect its economic interests and foreign policy focus is on Europe” (Thông tấn xã Việt Nam, 2001). In this policy, neither the Asia-Pacific region nor Southeast Asia, in particular, (including Vietnam) is the top priority of Russia. Therefore, obstacles in the bilateral economic situation have not been resolved promptly, which has limited the development of economic relations between Vietnam and Russia during this time. However, there have been changes and shifts of power from West to East as well as the pressures from the increasing influence of the US and China in the Asia-Pacific region. Russia cannot stand aside from these exciting and full-of-potential developments. In addition, the Russian Federation is also subject to economic sanctions by the United States and other Western nations. Russia is aware of the economic benefits that Vietnam can offer. For example, Vietnam has long-standing economic and trade relations and is a familiar and potential market for technical and machine products from Russia. The cooperation with Vietnam in the economic field brings Russia many benefits, thereby promoting economic cooperation with Vietnam. Russia has strengthened the legal basis by signing many important cooperation documents, promoting bilateral and multilateral trade agreements between Russia and Vietnam, identifying key economic areas in the

policy of cooperation with Vietnam, and making efforts to effectively implement the agreements that have been reached.

For Vietnam, in the context of international economic integration, economic cooperation with Russia not only helps Vietnam promote active policies and actively integrate into the international economy, but it also assists Vietnam in promoting its advantages. However, despite attaching importance to cooperation with Russia and considering Russia as one of the most important and reliable partners, but mainly in the field of politics and foreign affairs, Vietnam has also looked elsewhere. In economic relations, starting from the practical benefits of taking economic efficiency as the top criterion, Vietnam has also turned to other potential economic partners apart from Russia, such as Western Europe, the US, China, Japan, South Korea, and countries close to Vietnam in Southeast Asia. Therefore, this is also a reason leading to limitations in the economic-trade relations between Vietnam and Russia. The strategic calculation of the two countries with economic efficiency as a cooperation objective has greatly affected the content and form of economic relations between Vietnam and Russia in the 2001-2017 period.

2.3. The outstanding feature of the bilateral economic relations between Vietnam and Russia has undergone an extensive modification, shifting from the ideological principle to the principle of mutual trust, equality, and mutual benefit

During the 1950-1991 period, the economic relations between Vietnam and the Soviet Union were asymmetrical as Vietnam depended on and received one-way economic subsidies from the Soviet Union. “From 1976 to 1985, the Soviet Union provided non-refundable aid to Vietnam with about 5,827 billion rubles. From 1986-1990, the Soviet Union lent Vietnam a loan and non-refundable aid of 9,078,713 convertible rubles” and “the Soviet Union also helped Vietnam build many economic facilities such as Hoa Binh Hydropower Project, Tri An hydropower plant, oil and gas exploration and exploitation at Bach Ho field, construction of Thang Long bridge...” (Thông tấn xã Việt Nam, 2002).

In the 1991-2000 period, economic relations between Vietnam and Russia began to be established on the principle of mutual benefit. The restoration of economic relations is identified as the central goal of the two countries, Vietnam and Russia. Based on the Intergovernmental Committee on Economic and Trade Cooperation established in 1992, in the years 1994 to 1999, Russia and Vietnam continued to build the legal basis and organizational structures for the cooperation between the two countries in this field. Therefore, economic relations gradually recovered and import-export trade relations gradually improved, growing in turnover, import-export structure, and commodities. However, at this stage, Vietnam’s public debt from the Soviet era has been a dominant issue, leading to an imbalance and inequality in economic relations between Vietnam and Russia since Russia considers Vietnam a country that “needs to pay its debts, not as a trading partner to do business” (Võ & Lê, 2005, p. 174).

Economic relations between Vietnam and Russia from 2001 to 2017 took place in the context of contemporary international relations with the trends of cooperation, equality, and mutual benefit. Along with those were the trends of globalization and regionalization, and the promotion of multilateral and bilateral economic cooperation. The basis of this adjustment comes from the fluctuations of the world and regional situation as well as the renewal of the foreign economic mindset of the two countries. Economic cooperation between countries regardless of ideology and political regime has been strong. Economic relations between Vietnam and Russia are implemented under the mechanism of the 2001 Comprehensive Strategic Partnership and the 2012 Comprehensive Strategic Partnership, reflecting the similarity of strategic interests, the continuation, inheritance, and development of the priorities and preferences given to each other in the past while meeting the economic benefits of both parties. The intersection of economic interests of the two countries is an important basis for economic relations between Vietnam and Russia to be restored after a period of stagnation as a new development in the 2001-2017 period. This point proves that although Vietnam and Russia have differences in economic size, level, and development potential, they must be equal and mutually beneficial in bilateral economic relations. Differences are resolved by consultation, dialogue, and settlement according to international commercial law. The principle of mutual trust and equality for mutual benefit is very important, creating a foundation for establishing economic relations between Vietnam and Russia in the new context, and at the same time being an economic driving force to establish and maintain a long-term economic relationship between the two countries. This principle is established as the basis for signing protocols between the two governments and in the economic contracts between the two countries, Vietnam and Russia. This mechanism is suitable for the current era and also opens up unlimited prospects that create favorable conditions to attract businesses of both countries to invest in each other for mutual development. Typically, in investment relations, not only does Russia invest in Vietnam, but Vietnam has several large investment projects in Russia, such as investments in exploiting oil fields and in sectors such as agriculture, commerce, etc.

The cooperative, equal, and mutually beneficial nature of economic relations between Vietnam and the Russian Federation is the main trend of the process, but it can be changed at certain periods and in specific areas. The factors affecting and changing the nature of the economic relations between Vietnam and the Russian Federation come from two directions:

- *First*, the internal impact of the relationship: that is, the difference in level and scale of the two economies and the difference in values and strategies;
- *Second*, the external impact of the relationship, such as the trend of globalization and international economic integration with the introduction of many forms of bilateral and multilateral economic cooperation at regional and world levels.

2.4. The economic relations between Vietnam and Russia constituted certain achievements, yet being commensurate with the potential and advantages of each

country as well as the traditional comprehensive and effective strategic partnership; economic cooperation not reached the set political goals

With the desire to promote economic cooperation, the two countries have found ways and means of cooperation to bring positive effects. This is evidenced by the reality of bilateral economic relations between Vietnam and Russia (2001-2017). Whenever an agreement is reached between the two countries to have a common policy, the reality of the economic relations becomes more exciting and dynamic with sudden developments as well as certain achievements.

In the field of trade, the bilateral trade between Vietnam and Russia has grown every year, from 571 million USD in 2001 to 1.642 billion USD in 2008. Trade relations between the two countries have been strongly promoted, reaching 2.447 billion USD in 2012, increasing to 2.740 billion USD in 2016, and accelerating to a turnover of 3.552 billion USD in 2017. For the period 2001-2017, the total import-export turnover of the two countries was 29.079 billion USD, of which Vietnam's exports to the Russian Federation reached 15.566 billion USD, and the import value was 13.540 billion USD (Tổng cục Thống kê, 2017b, pp. 438-443). As of 2017, Vietnam is the leading trading partner of the Russian Federation in ASEAN and the fifth largest exporter of goods to the Russian Federation in APEC (after China, the US, Japan, and South Korea). Russia is Vietnam's fifth-largest trading partner in Europe (Tổng cục Thống kê, 2017b).

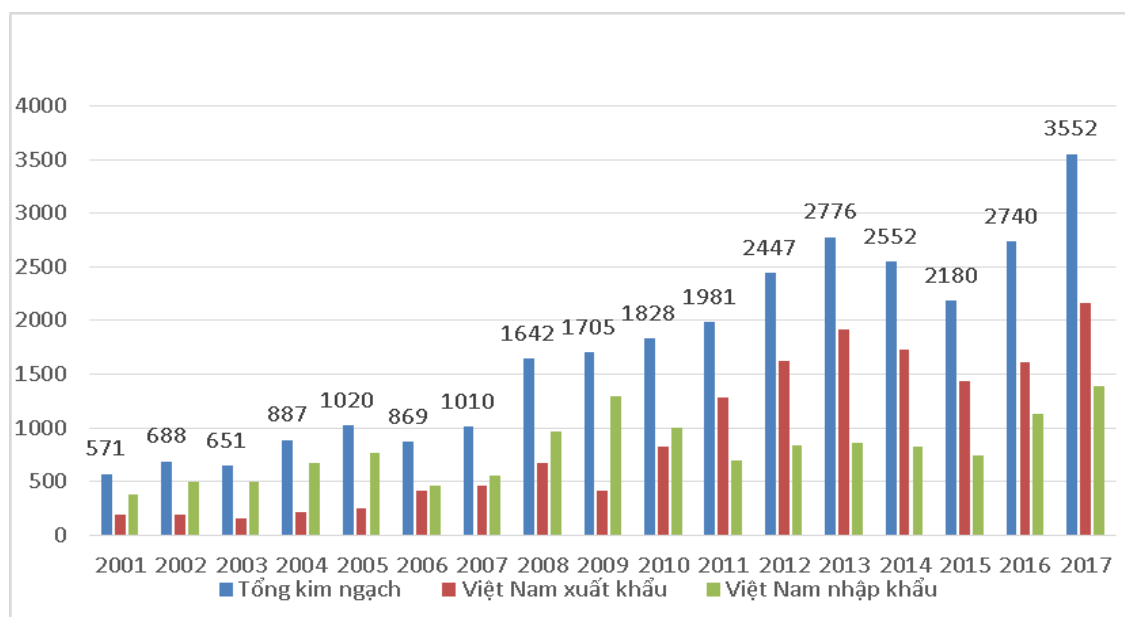


Figure 1. Import and export turnover of Vietnam-Russia (2001-2017)

Note: Blue: Total turnover; Red: Turnover of Vietnam exports; Green: Turnover of Vietnam imports;
Unit: Million USD.

Source: Tổng cục Thống kê (2017b, pp. 438-443).

Starting in 2011, bilateral trade changed from a trade deficit for Vietnam to a continuous trade surplus with Russia. Vietnam exported to Russia comparative products, such as textiles and garments, seafood, rubber, rice, etc., in the 2001-2011 period. By

2012, there was a significant structural shift in the main export items from Vietnam to Russia. The items that have grown rapidly and now account for a significant proportion of export turnover to Russia are phones, computers, and their accessories. Products that Vietnam imports from Russia are still those in the traditional commodity groups, such as petroleum products, iron and steel, fertilizers, wheat, artificial rubber, machinery, equipment and spare parts, means of transport, paper of all kinds, etc. In general, the structure of goods exchanged between Vietnam and Russia is quite stable and brings into play the comparative advantages of the two countries.

In investment relations, certain achievements have been accomplished, such as an increase in the number of projects licensed for investment by Russia in Vietnam. In the period 2000-2006, Russia was in the group of 4/15 countries and regions with a large proportion of capital contribution in Vietnam (Tổng cục thống kê, 2008, p. 372). By 2017, Russia ranked 23rd among countries and territories investing in Vietnam with 115 projects and a total registered capital of 982.7 million USD (Tổng cục Thống kê, 2017b, p. 157). The projects that Russia invests in Vietnam are mainly those in the fields of mining, industry, accommodation and catering services, and real estate business.

Table 1. Russian FDI in Vietnam in the 2001-2017 period

Year	Number of newly licensed projects	New registered capital	Total accumulated investment capital (Unit: million USD)
2001	4	22.5	-
2002	4	27.6	-
2003	2	18.3	217.00
2004	3	38.3	268.00
2005	1	3.9	278.00
2006	2	13.9	303.00
2007	5	12.0	301.00
2008	5	69.0	376.40
2009	6	335.0	779.00
2010	5	139.3	757.00
2011	7	38.7	934.00
2012	11	143.1	1,068.19
2013	13	1031.9	1,946.09
2014	9	11.5	1,957.43
2015	9	12.0	2,080.17
2016	15	58.2	1,056.60
2017	9	43.7	982.70

Source: Tổng cục thống kê (2017a).

The Vietnam-Russia investment relationship also acknowledges the success of Vietnam's investment in Russia with positive improvements. From only 11 projects with a capital of about 100 million USD in 2005, it increased to 18 projects with a total investment capital of 1.700 billion USD in 2008. As of December 31, 2017, Vietnam had 13 ongoing FDI projects in Russia with a capital of 2.825 billion USD (Tổng cục Thống kê, 2017b, p. 157). The Russian Federation accounted for 13% of the total registered capital for investment abroad, ranking 3rd out of 75 countries and territories with investment projects from Vietnam. Vietnamese investors have invested in large projects in the suburbs of Moscow, such as several projects to build a light industrial cluster and cold storage for seafood products. Vietnamese investors have also invested in agricultural sector projects worth billions of dollars in the suburbs of Moscow. Some projects operate effectively, such as the Rusvietpetro project, the Hanoi-Moscow Trade Center Investment Joint Stock Company, and TH Group's dairy farm and milk processing complex in Moscow. It can be seen that there has been a change in investment relations between Vietnam and Russia in terms of cooperation, commodity structure, and investment. If in the past, oil, gas, and energy were the basic industries and important economic sectors in the bilateral cooperation between Vietnam and Russia, by 2017, new sectors and fields of economic cooperation had appeared, such as agriculture, dairy farming and dairy product processing, processing industry, formation of new value chains in the fisheries sector, cooperation in the field of information, and new building materials.

Most achievements in economic cooperation between Vietnam and Russia are in oil and gas energy cooperation with breakthrough developments in terms of scale, fields, and areas of operation. Oil and gas cooperation between Vietnam and Russia is carried out by the Vietnam Oil and Gas Group (Petrovietnam) with major oil and gas companies of Russia. Specifically, the cooperation between Zarubezhneft, a Russian oil company, and Petrovietnam through the Vietsovetpetro joint venture established in 1981 in Vietnam and the Rusvietpetro joint venture established in 2008 in Russia has brought about high efficiency and great revenue for both Vietnam and Russia. Among Russian investment projects in Vietnam, the Vietsovetpetro petroleum joint venture is the most mentioned as a notable example of Vietnamese-Russian investment cooperation. Vietsovetpetro has made Vietnam the third-largest oil exporter in Southeast Asia. In the period 2000-2010, revenues were 16 billion USD for Vietnam and 5 billion USD for the Russian Federation (Tạp chí kinh tế Việt Nam, 2003, p. 21). From 2011 to 2017, Vietsovetpetro's oil production was 38.56 million tons and oil sales revenue was 25.99 billion USD. Revenues and profits were 16.01 billion USD for Vietnam and 2.422 billion USD for Russia (Petrovietnam, 2017). Vietsovetpetro is also a reliable partner with many customers and one of the leading oil and gas companies worldwide. Vietsovetpetro has become a stimulating factor, attracting both international and individual domestic investment to develop Vietnam's oil and gas industry over the long term. Vietsovetpetro's achievements have gradually affirmed its prestige and brand, creating favorable conditions to expand its scope of activities in reaching out to the oil and gas market outside of Vietnam.

An achievement, as well as a symbol of the traditional strategic relationship in oil and gas cooperation between Vietnam and Russia, the Rusvietpetro joint venture, with an ownership ratio of 51/49 between Zarubezhneft and Petrovietnam, has operated in Russia

since December 2009. After 8 years of operation (2009-2017), the oil production output of the Rusvietpetro joint venture reached nearly 16 million tons and the accumulated revenue is estimated at 7 billion USD. Rusvietpetro's fields contribute about 15% of Petrovietnam's (PVN) annual output, and Rusvietpetro is PVN's most efficient overseas joint venture (Năng lượng Việt Nam, 2018).

The results of oil and gas cooperation between Vietnam and Russia have confirmed the effective cooperation between Vietnam and the Russian Federation in the economic field. On the other hand, these outcomes also contribute to preserving and cultivating the pure international friendship between the Vietnamese people and the people of the former Soviet Union, as well as Russia and the CIS countries today. For Vietnam, oil and gas cooperation is not only meaningful in terms of the economy but also in terms of security, particularly in terms of protecting the integrity of sovereignty over disputed seas and islands. The participation of the Russian Federation in oil and gas exploration on Vietnam's continental shelf has contributed to affirming Vietnam's sovereignty over the East Sea and is also a factor creating a favorable geopolitical position for Vietnam in resolving disputes in the South China Sea.

However, due to the large difference in qualifications and size of the two economies and the difference in values and strategies, the policymaking process of bilateral economic relations is always slower compared to political-foreign relations. As a result, the economic relations between Vietnam and Russia are not in line with the strategic partnership that the two countries have established. This is evident in trade and investment relations. Two-way trade turnover also accounts for a small proportion of the total import and export turnover of both Vietnam and the Russian Federation. Bilateral trade turnover by 2017 only reached 3.55 billion USD (Tổng cục Thống kê, 2017b, p. 154), many times lower than trade transactions between Vietnam and China, the US, South Korea, Japan, Singapore, and some other countries in the same period. The proportion of Vietnam-Russia trade as of 2017 accounted for less than 1% of Russia's import-export structure, while trade with other partners such as Germany was 9%, the US was 4%, and South Korea was 3% (Thống kê hải quan Liên bang Nga, 2018). Vietnam's import-export turnover with China in 2017 reached 96.69 billion USD, that with Japan was 33.4 billion USD, and that with South Korea was 61.56 billion USD (Bộ Công thương, 2017, pp. 76-79). Investment of the two sides in each other's territories is still modest in terms of the number of projects and investment capital, although the two countries are traditional trading partners and have long had experience in investment cooperation.

The development of economic relations between Vietnam and Russia in the 2001-2017 period has not been commensurate with the potential, advantages, and needs of each country due to subjective and objective reasons from both sides. Despite establishing a comprehensive strategic partnership in which Vietnam is Russia's only strategic partner in Southeast Asia, the effectiveness of economic cooperation has not yet reached the political goals set forth nor fully exploited the advantages and potentials of each country. With a long history of cooperation, the peoples of Russia and Vietnam are used having a certain sympathy for the products produced in the two countries.

3. CONCLUSION

From an external economic perspective, the economic relations between Vietnam and the Russian Federation from 2001 to 2017 have operated on an increasingly solid legal basis. Simultaneously, it is the result of a process of struggle and cooperation to build and establish economic relations on the principle of equality and mutual benefit in peaceful coexistence between the two countries that were once traditional allies through the ups and downs in history. Both countries have economies in transition, but they differ in terms of political regimes, power mechanisms, and national positions in the international arena. Research on economic relations between Vietnam and Russia in the period 2001-2017 shows that the most prominent feature of this economic cooperation process is equality and mutual benefit as well as taking economic efficiency as a measure and a goal, with motivation based on international trade principles and bilateral trade policies that Vietnam and Russia have for each other. It is the national interest, but more specifically the economic interest, which has become the driving force and main factor that governs and promotes cooperation between Vietnam and Russia.

Although there are still difficulties and obstacles for many objective and subjective reasons, the achievements in Vietnamese-Russian economic relations from 2001 to 2017 are very encouraging. In the future, bilateral economic relations between Vietnam and Russia will continue to develop as the two countries make more effective use of opportunities and take advantage of the incentives provided by the Trade Agreement between Vietnam and the Eurasian Economic Union (effective since October 2016). Along with the implementation of commitments on trade and investment promotion activities with priority projects between Vietnam and the Russian Federation, this will create favorable conditions for businesses of the two countries to cooperate more strongly.

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