

Impacts of China's Energy Foreign Policy on Vietnam in the First Years of the XXI Century

Nguyen Minh Man¹

¹PhD, Ho Chi Minh University of Education, Vietnam. Email: mannm@hcmue.edu.vn

ABSTRACT

To ensure national energy security in the early twenty-first century, China has been implementing energy foreign policy on a global scale. Southeast Asia is a region of geo-strategic position and rich in important mineral resources - including oil and gas is becoming an important sector in the process of implementing energy diplomacy of China. energy foreign policy of the Chinese direct impact to Viet Nam in many fields of economy, politics, diplomacy and national security.

Keywords

Energy Security, Foreign Policy, China, Vietnam.

Introduction

Chinese government has paid much attention to management of energy resources to seek for sustainability in energy issues for China.

In this study we will present main ideas on China's energy diplomacy in early years of the 21st century.

We also showed The role of Southeast Asia and Vietnam in China's energy diplomacy in the early years of the 21st century.

This study organized with introduction, then methodology, main results, discussion and conclusion.

Methodology

This study mainly uses qualitative methods, with synthesis, analytical and inductive methods, combined with historical and dialectical materialism analysis methods.

Authors also use some research methods, including document analysis, pedagogical observation, qualitative analysis, case methods.

Main Results

China's Energy Diplomacy in the Early Years of the Twenty-first Century

The situation of using domestic energy sources has prompted the Chinese government to quickly

formulate energy security policies and seek long-term stable energy supplies for the country. The whole world is witnessing a China aggressively seeking energy resources on a global scale: from the hot Middle East to the contested Central Asia, from dynamic Southeast Asia to the newly-mindful Africa Note... the rush of Chinese leaders' shuttle diplomacy in recent years is the solution to the "energy" problem for the future. In addition, in the early years of the twenty-first century, energy and energy security have become central issues in the management of the country by the Chinese Party, state and government. Short-term and long-term energy strategies and strategies are continuously presented and become the main issue in regular meetings. During this time, organizations and agencies in charge of energy were established to concretize state management activities in the energy sector. The roadmap of China's energy security strategy is concretized year by year with the following specific activities:

In 2002, the Chinese government formulated the "Integrated Energy Strategy" which included the following seven points:

- Developing the national oil and gas supply;
- Developing the domestic oil and gas market;
- Diversify energy sources;
- Diversify energy import sources;
- Environmental Protection;

- Increasing investment to conserve energy;
- Increase the efficiency of using energy sources.

In 2003, the Chinese government issued the document "Oil Strategy for the 21st Century" with a focus on investing 100 billion USD to develop China's strategic oil system in the future. This is an important highlight in the Tenth Five-Year Plan (2001-2005) demonstrating the Chinese government's determination to the field of energy security [117, pp. 302]. This document is seen as a materialization of the National Energy Strategy Report prepared by the National Development and Reform Commission (NDRC).

Till 2004 marked a turning point in China's energy policy, which was to solve the problem of energy shortage. China floated the price of electricity so that economic sectors could self-regulate their demand for use and save to save money. Cut the cost. In the same year, the agency in charge of oil reserves under the National Development and Reform Commission (NDRC) was established with the task of building four strategic oil reserves: Tran Hai, Dai Lien, Dai Son and Hoang Dao with a value of 6 billion yuan. The Chinese government also requested the Ministry of Natural Resources and Environment of China to study and re-evaluate oil and gas reserves as a basis for planning an energy strategy for the first 20 years of the 21st century.

On March 30, 2004, the Chinese government approved the "China's medium and long-term energy development program from 2004 to 2020". This is an important milestone in the country's energy policy making. The program includes 7 topics:

- Prioritizing energy conservation, comprehensively and rigorously implementing energy conservation systems to improve efficiency;
- Adjusting the national energy structure;
- Allocation of energy projects according to different economic sectors;
- Exploiting domestic and foreign resources;
- Applying scientific and technological advances and inventions;

- Improve the quality of environmental protection work;
- Implement the development of new energy sources;

On June 2, 2005, the first meeting of the National Energy Work Steering Committee chaired by Premier Wen Jiabao took place in Beijing. This steering committee is headed by Prime Minister Wen Jiabao, and two deputy prime ministers, Huang Ju and Zeng Pei Yan, are deputy heads. Members of this Steering Committee are ministers and heads of 13 central agencies in charge of issues related to the energy sector. During this conference, China set out six priority strategies for ensuring energy security in the early years of the twenty-first century:

- Strengthen research on energy strategy, complete the medium and long-term energy master plan; adjust the national energy structure;
- Promote healthy and planned development energy;
- Strengthening exploitation and rational use of coal
- Strengthen the construction of electricity production works and power supply network;
- Strengthening oil and gas exploration and production;
- Develop new renewable energy sources;

In 2006, China entered the 11th Five-Year Plan with the goal of increasing GDP by 20% by 2010 compared to 2005, the issue of energy security was raised one step higher. In the proposal of the Central Committee of the Communist Party of China on energy policy at the 5th plenum of the 16th session, approved on October 11, 2006 with the following content:

The energy sector must strengthen policies in the direction of saving and efficiency, persistently prioritizing energy saving, coming from the country, taking gas as the basis, developing pluralistically, building an energy supply system. Stable quality, economic, hygienic. Building large gas and coal supply facilities, adjusting and renovating small and medium gas fields, developing and taking advantage of gas,

encouraging gas-electricity linkages. To step up the development of gas-fired electricity with highly efficient units, to develop hydroelectricity in an orderly manner on the basis of protecting the ecological environment, to actively develop nuclear power, to strengthen the construction of the electricity network, expand the scale of bringing electricity from the West to the East. Strengthen domestic oil and gas exploration and production, expand cooperation with external parties, strengthen strategic oil and gas reserve capacity, and stably deploy petroleum substitutes. Promote the development of wind energy, solar energy, bioenergy and other renewable energy sources.

Thus, through this recommendation, it can be seen that ensuring energy security in the 11th Five-Year Plan (2006 - 2010) is a continuation of the energy security policy proposed and implemented in the Plan. The tenth five-year plan (2001-2005). In parallel with the process of energy saving, strengthening exploration and exploitation and cooperation in the energy field. The Chinese government is trying to legalize and institutionalize the national energy work. On December 26, 2007, through the Information Office of the State Council, the Government of China published the first white paper on energy. The content of this document is to explain in detail the current situation, strategy and purpose of energy development, highlight efforts to increase energy storage and improve energy supply capabilities, progress of energy production technology, the synergies between energy development and environmental development, energy system reform and international cooperation in the energy sector. Through this document, China once again shows its interest in national energy security:

The Chinese government takes the scientific point of view as the guideline, accelerates the development of the modern energy industry, adheres to the policy of energy saving and environmental protection, and adopts the construction of an energy-saving and harmonious society. With the environment as a prominent position in the development strategy of modernization, efforts to strengthen capacity for sustainable development, building the country

according to an innovative model, continue to make greater contributions to the development of the country. economic development and prosperity of the world [Information Office of the State Council of the People's Republic of China (2007), China's Energy Conditions and Policies, Beijing, pp 1.].

In general, entering the early years of the 21st century, before the world energy situation is complicated, China needs more energy sources for economic development, the Chinese Government has quickly set forth policies related to the development of the economy. regarding energy issues. China's energy strategy in the early 21st century is reflected in two aspects: domestic energy policy (structure, distribution, consumption, development of new energy sources, environmental protection policy) market...) and foreign energy policy (diversification of supply, assurance of stable supply, prices, cooperation in the field of energy security with other countries, safety of energy transport routes, etc.), in the first strategy, China implements the goal of structuring, distributing and using energy resources in the most efficient way; In the second strategy, China aims to ensure a stable and sustainable external energy supply. These two strategies are both independent and complementary in order to achieve the goal of helping China maintain economic growth and enhance its political standing on a global scale.

The Role of Southeast Asia and Vietnam in China's Energy Diplomacy in the Early Years of the 21st Century

Southeast Asia is an important geo-strategic area because it is the intersection of transportation corridors transporting military, goods and materials from East to West, from Northeast Asia to Oceania. The area has many important sea lanes, 4 of the world's 16 most strategic straits are located in this area; those are Malacca, Lombok, Sunda and Ombai - Wetar, in which the Strait of Malacca is one of the 5 largest straits in the world, has an extremely important position because of all the goods of Southeast Asia and Northeast Asia. must pass through and every year there are 40,000 ships passing through, about 7 million barrels of

oil are transported through this strait every day. On average, the world's annual volume of goods passing through this strategic sea route is worth about 568 billion USD, accounting for 15% of the total value of world trade.

The East Sea is an area with huge, rich and diverse natural resources. About oil reserves are estimated to be about 4 billion m³ and about 300 billion m³ of gas. Regarding seafood, this is an area with rich and potential fishing grounds. In terms of minerals, there are many rare and precious minerals that have been discovered...The East Sea is a tropical sea, so there are huge reserves of fish and seafood, the Spratly Islands alone can supply each year, 5 million tons of fish, bringing in billions of dollars in profits.

The rapid growth of Southeast Asian countries in the ASEAN Community is also an important factor demonstrating the region's geopolitical role. Over the past two decades, with the increasing trend of globalization and regionalization, Southeast Asia has become more lively not only by increasing intra-ASEAN cooperation and linkage, but also by where the convergence of cooperation relations of ASEAN and bordering countries with other countries in the world, especially big countries such as China and the US, Japan, Europe.... That has turned ASEAN into a political-economic entity that has an important voice in international affairs. From December 15, 2008, the ASEAN Charter came into effect, marking the realization that ASEAN has realized its committed plan and most importantly, affirming to the world that ASEAN has truly become a qualified organization. legal entity, representing the legitimate interests of 11 countries in relations with other countries, regional and international organizations.

On the other hand, Southeast Asia is an area with an important position on the sea traffic route between the Indian Ocean and the Pacific Ocean with straits such as Malacca and Sunda being considered as the only gateway to the market. large in Asia-Pacific.

In the early years of the twenty-first century, China carried out a policy of "neighborhood diplomacy" with the aim of attaching importance to neighboring countries, while developing and improving relations with neighboring countries,

building a favorable surrounding environment. around friendly and friendly is considered a top task. Not stopping at the above goals, the relationship between China and Southeast Asian countries is also reflected in the field of energy cooperation. Although, with a small reserve, only at an average level, with the important geopolitical position of Southeast Asia, China cannot "ignore" this area in its "foreign" policy. their energy delivery". China's "energy diplomacy" in Southeast Asia has "positive" signs, but there are still "barriers" in relations with Southeast Asian countries.

Large-scale oil exploitation has appeared in Southeast Asia since 1992. The countries with large oil and gas reserves in the region are Indonesia, Malaysia, Brunei and Vietnam. Since 1993, when China became an oil importer, Southeast Asia has become an important source of imports for this country due to its proximity in terms of geographical location as well as the quality of petroleum products. China's energy diplomacy with Southeast Asian countries is conducted in the form of oil and gas cooperation and mainly with the following countries:

As an OPEC member in Southeast Asia, Indonesia is an important object of China's energy diplomacy:

In the mid-90s of the 20th century, Indonesia was once one of the most important countries in China's oil imports, although now the size of oil imports is not as before, but Indonesia is still an important oil trading partner. [Vietnam News Agency (2004), "China is thirsty for oil", Special Reference, No. 7/2004, p. 51.].

Therefore, in the energy cooperation between Beijing and Jakarta took place in the form of investment. In April 2002, China National Offshore Oil Corporation (CNOOC) acquired shares of 9 branches of Repsol YPT S.A and became Indonesia's largest oil producer. Not stopping there, CNOOC paid \$275 million to own a 12.5% stake in the liquefied natural gas project in Tangguh. To mark the strategic relationship in the energy field between the two countries, in February 2002, the first China-Indonesia Energy Forum was held in Bali island. On the basis of this forum, in June 2004, China officially joined the "10+3 Energy Ministerial Conference" (including

10 ASEAN countries and China, Japan and South Korea), opening the way to a multilateral cooperation mechanism in the field of energy between China and Southeast Asian countries.

In November of the same year, at the 8th China and ASEAN leaders' meeting, Premier Wen Jiabao proposed the establishment of an energy ministerial-level dialogue mechanism between China and ASEAN. The above proposal of Prime Minister Wen Jiabao shows that China thoroughly takes advantage of multilateral cooperation forums in the field of energy to conduct dialogues and cooperation with ASEAN countries in order to stabilize the supply and safety for the energy sector. China's strategic oil shipping routes through the straits in Southeast Asia.

Vietnam ranks third in oil reserves in Southeast Asia and 25th in the world in oil exports after Brazil. With Vietnam's reserves of about 1.5 to 3 billion tons and if it tries to exploit, in the future Vietnam can become the world's average oil producer. The source of imported oil from Vietnam is becoming an important source of energy for China:

According to statistics of China Customs, in 2000, China imported 3,158,500 tons of crude oil from Vietnam, with a total value of 730 million USD, accounting for 78.6% of 929 million USD of total import turnover of Vietnam. China from Vietnam; In 2001, China's crude oil imports from Vietnam increased to 3,360,000 tons, so Vietnam replaced Indonesia as the largest crude oil exporter to China in the Southeast region. Asia, and the 6th largest crude oil exporter in the world to China [Vietnam News Agency (2004), "China and energy issues in Southeast Asia", Special Reference, September 24, 2004, page 15.].

Vietnam's oil output is supplied mainly from three large oil wells, namely Bach Ho, Thanh Long and Dai Hung, and these oil wells are located in the sea area near the Truong Sa archipelago - under the sovereignty of Vietnam in the South China Sea. South China Sea where there is a dispute over oil and gas interests. Disputes over oil interests between China and Southeast Asian countries in the East Sea are a barrier to cooperation in the field of energy between the two sides.

In 2002, China and ASEAN signed the "Declaration on the Conduct of Parties in the East Sea", laying the basis for the cooperation of the parties in this area. In the current situation where all parties want to prove their sovereignty and confirm their rights to exploit oil and gas in the East Sea, the best way to handle this is to calm down and have a dialogue on the basis of international law and legitimate interests, legitimacy of each country. Since then, the settlement of oil and gas interests between China and Southeast Asian countries in general and China - Vietnam in particular needs to pay attention to the problems left by history that cannot be resolved overnight. Disputes in the East Sea are not only related to the great economic interests of the countries involved, but also involve great strategic interests. But we need to be sober to see that in the new situation, the dispute over maritime interests in the South China Sea has given rise to a great change, which requires us from a strategic height to re-cognise the issue and apply adequate remedial action.

Discussion

Impact of China's Energy Security Policy on Vietnam – The Issue of Sovereignty Disputes in the East Sea

In the process of implementing energy diplomacy to serve the goal of ensuring domestic energy security, China has always focused on the role of Southeast Asian countries and the East Sea region. In terms of reserves and supply, this region is behind the Middle East, Africa, Latin America and Central Asia, but overall, Southeast Asia has a very important role for security. China's energy. Therefore, at present, between China and a number of Southeast Asian countries - including Vietnam - there is a process of competition in exploiting oil and gas resources. China has expressed a drastic attitude when it comes to its role in this territorial sea. On March 15, 2009, China unilaterally presented the "cow's tongue" map and claimed that 80% of the sea surface belonged to its sovereignty. A month later, China showed off its naval power with the aim of celebrating the 60th anniversary of the founding

of the Chinese Liberation Army. The above actions of China caused a chain reaction from China's neighbors located in this sea.

To explain China's above actions, it is necessary to review what role the South China Sea plays in China's overall energy security strategy.

Firstly, besides oil, natural gas is now China's second-class fuel source, plus it is a relatively clean fuel source, so natural gas is more beneficial than oil in policy. energy security. Even in a time of oil crisis, a good reserve of this fuel will help reduce stress caused by fuel shortages. Among Southeast Asian countries in the East Sea, Indonesia and Malaysia are two countries with very large natural gas reserves, about 2800 billion cubic meters, so the volume of natural gas imports from Southeast Asia and Investment in exploration and exploitation of natural gas from this area is beneficial to China's oil security.

Second, the importance of the South China Sea for China's energy security is reflected in the strategic oil shipping routes through this area. About 85% of China's oil imports pass through the Strait of Malacca. Meanwhile, the area of this strait is under the control of the US Navy. Local conflicts or wars in this region all lead to instability for China's energy security and national security. Ensuring trade and safety for energy transport routes has become a top concern of the world's leading energy importer. On the other hand, the Strait of Malacca is also the main route of passage for the US Navy when entering the Indian Ocean, so any military conflict in the region will threaten US strategic interests. Interests in the South China Sea also affect the relationship between China and the US in recent years.

In addition to the strategic location mentioned above, the East Sea is also in the goal of China's maritime economic development in the early years of the 21st century. The 16th Congress of the Communist Party of China outlined China's maritime development strategy in the early years of the twenty-first century with two specific steps: The first step, from now until about 2020, implements the marine development strategy in the eastern coastal area; i.e., the regional marine development strategy under the macro direction of the State, taking the provinces (under-affiliated cities, autonomous regions) as the subject, taking

marine resources as the object of exploitation, taking creative institutions focus mode. This stage is both the initial implementation of the national marine development strategy and the preparation for the comprehensive implementation of the marine development strategy.

The second step, from 2020 to the middle of the century, comprehensively implements the marine development strategy, exploits and takes advantage of marine resources and energy on a large scale, and takes advantage of the mid-21st century to build China into a maritime economic power country.

Pham Minh Dat, Dinh Tran Ngoc Huy et al (2020) said that Modern corporate governance standards and principles is becoming vital issues in developing countries such as Vietnam, China, India, Indonesia, Myanmar, Bangladesh, etc.

Conclusion

China's maritime development strategy and China's energy situation in recent years are the main reasons why China has stepped up the process of disputes over sovereignty in the East Sea with countries in Southeast Asia - including Vietnam.

In the process of conducting energy diplomacy activities with geographically distant regions such as Africa, Latin America China has always expressed an attitude with transparent and clear policies. But with the East Sea issue, its actions always show "underground" waves and are difficult to predict. This policy can use a Chinese idiom to describe it as "telecom, close-by". Therefore, up to now, the East Sea issue is still considered by the world community as a matter of China and related countries alone. As for the US, it firmly opposes the use of force to settle disputes and any settlement measures reached should not affect freedom of navigation in the entire "South China" sea area.

For Vietnam, a country with a coastline of 3200 km, the disputes in the East Sea - mainly over the sovereignty of the Hoang Sa and Truong Sa archipelagoes - have a particularly important influence. The dispute between Vietnam and China is bound to affect the national security of the two countries in all fields. It can be said that

China's actions in the East Sea area make it very difficult for relevant countries to predict and will pose many problems that require the participation and resolution of all parties in the spirit of common interests and law. international law. How to handle the East Sea issue requires relevant parties to exercise restraint and through bilateral and multilateral negotiations to settle disputes and must be based on the 1982 United Nations Convention on the Law of the Sea. But in fact, China's actions in the East Sea today are moving in the opposite direction:

"They think that China's claim of sovereignty over the East Sea is greedy and lacks legal basis, is a "great power above the law", if China uses military power to protect the East Sea, then It proves that China has broken international rules."

In short, the South China Sea issue is a challenging issue for China in the process of implementing its energy security policy. Whether the situation in the East Sea can be completely resolved, whether disputes between China and other countries can be reconciled, and whether oil and gas benefits are distributed fairly or not depends on many objective factors. and subjective, most importantly, China needs to have a fair voice as a "leading" economy and a country in the Asia-Pacific region.

Acknowledgement

Thank you very much for editors, friends and Mr Dinh Tran Ngoc Huy (dtnhuy2010@gmail.com) to support this publishing.

References

- [1] Central Committee for Thought and Culture (2004). *Major issues of the world and the process of integration and development of our country*, National Political Publishing House, Hanoi.
- [2] Do Minh Cao (2005). "China's energy strategy in the early years of the twenty-first century". *Journal of International Studies*, (5), 25-32.
- [3] Dinh Tran Ngoc Huy. (2015). The critical analysis of limited South Asian Corporate Governance standards after financial crisis. *International Journal for Quality Research*, 9(4).
- [4] Information Office of the State Council of the People's Republic of China (2007). *China's Energy Conditions and Policies*, Beijing.
- [5] Joseph Y.S. Cheng (2008). *A Chinese View of China's energy security*, Routledge Publisher.
- [6] Nguyen Anh Tuan (2006). Petroleum Security: Problems and Solutions in Southeast Asian Countries. *World Economic Issues*, No. 5(121), 35-43.
- [7] Pham Minh Dat, Nguyen Duy Mau, Bui Thi Thu Loan, Dinh Tran Ngoc Huy. (2020). Comparative China Corporate Governance Standards After Financial Crisis, Corporate Scandals and Manipulation. *Journal of Security and Sustainability Issues*. DOI:10.9770/jssi.2020.9.3(18)
- [8] Vietnam News Agency (2004). China: hungry for raw materials, thirsty for oil. *Special Reference*, June 16, 2004.
- [9] Vietnam News Agency (2004). "China is thirsty for oil", *Special Reference*, No. 7/2004.
- [10] Vietnam News Agency (2004). "China and Energy Issues in Southeast Asia", *Special Reference*, September 24, 2004.
- [11] Vietnam News Agency (2005). "China and the Oil Problem", *Special Reference*, September 23, 2005.
- [12] Vietnam News Agency (2006). "China-ASEAN Energy Cooperation", *Special Reference*, No. 96, April 26, 2006.
- [13] Vietnam News Agency (March 2008). "China and the South China Sea issue", *Special Reference*.
- [14] Vietnam News Agency (2004). "China's Maritime Power and Oil Security", *Special Reference*, July 28, 2004, pp.18.

- [15] Tran Nam Tien, Dinh Tran Ngoc Huy. (2021). India Society in “Free and Open Indo-Pacific” Context: Vision and Policy, *Elementary education online*, 20(4): 1052-1056. doi: 10.17051/ilkonline.2021.04.114
- [16] You Ji (2007). *Dealing with the Malacca Dilemma: China’s effort to protect its energy supply*, Routledge Publisher.
- [17] Zhang Jianxin (2006). *Oil security reshapes China’s foreign policy*, Hong Kong University
- [18] Statement (2009). *People’s Republic of China-60 years*, Chinese Communist Party History Publishing House, Beijing.
- [19] Chen Fengying (2005). *Global Energy Chess Game*. Current Affairs Press, Beijing.
- [20] Huang Jin (2008). *Research on China’s Energy Security Issues*, Wuhan University Press, Hubei.
- [21] Xu Yun (2006). *Who Can Drive China-World Energy Crisis and China’s Strategy*, People’s Publishing House
- [22] Xia Yishan (2009). *China’s Perspective on International Energy Development Strategy*. World Knowledge Press, Beijing.