



By: TA | AP Brief

Vietnam and the EU upgraded ties to a comprehensive strategic partnership



Vietnam and the European Union upgraded ties to a comprehensive strategic partnership, Vietnam's highest diplomatic level, as both recalibrate trade amid disruptions to global finance driven by U.S. tariff pressure.

The upgrade places the EU on the same diplomatic footing as the **United States**, China and Russia and was announced during a visit to Hanoi by European Council President António Costa.

"At a moment when the international rules-based order is under threat from multiple sides, we need to stand side by side as reliable and predictable partners," Costa said, adding that the partnership is about "developing spheres of shared prosperity."

Costa arrived in the Vietnamese capital Hanoi after India and the European Union reached a **free trade agreement** on Tuesday after nearly two decades of negotiation.

Vietnam's President Luong Cuong called the move a "historic milestone."

The announcement comes less than a week after Vietnam reelected Communist Party General Secretary **To Lam** as the country's top leader, endorsing his vision of economic growth driven by aggressive reforms.

Access to one of Asia's fastest-growing manufacturing hubs

Vietnam has been a major beneficiary of globalization, emerging as a key export hub for electronics, garments and consumer goods as multinational firms shifted production away from China.

That export-led growth has helped lift incomes and transform the economy, but Vietnam's large and persistent trade surplus has drawn criticism, particularly from the U.S. and increasingly from Europe, where officials have raised concerns about market access.

Vietnam is the EU's biggest trading partner in Southeast Asia

For the EU, the deal strengthens access to one of Asia's fastest-growing manufacturing hubs and supports efforts to diversify supply chains as trade tensions increase.

Bilateral trade in the first 11 months of 2025 reached more than \$66.8 billion, up 6.6% from a year earlier.

The EU is Vietnam's fourth-largest trading partner, third-largest export market and fifth-largest import source. Vietnam is the EU's biggest trading partner in Southeast Asia.

Vietnam hopes to continue growth to become a **rich nation by 2045** and is aggressively seeking new markets to reduce reliance on the U.S., which is its largest export destination that absorbs about 30% of the goods Vietnam sends abroad. The two sides signed a free trade agreement in 2020.