

INSIGHT SOUTHEAST ASIA

Looking Eastwards From New Delhi



MANOHAR PARRIKAR INSTITUTE FOR
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मनोहर पर्रिकर रक्षा अध्ययन एवं विश्लेषण संस्थान

CONTENTS

- Vietnam and Canada established their strategic partnership.
- Vietnam's Tô Lâm Visits Russia to Strengthen Bilateral Strategic Cooperation
- Myanmar President Min Aung Hlaing Concludes State Visit to Vietnam
- This year marks five years of AUKUS.
- China's Military Opens New Logistics and Training Facility in Laos

Overview

September 2026 reflected the evolving strategic landscape of the Indo-Pacific, marked by efforts to diversify diplomatic partnerships, deepen defence cooperation, and reinforce regional security postures. Vietnam's expanding external engagements, the fifth anniversary of the AUKUS security partnership, and China's military activities in the South China Sea highlighted the interplay between strategic alignment, deterrence, and regional stability. These developments also underscored the importance of ASEAN member states' efforts to balance their economic and security interests amid intensifying geopolitical competition.

Vietnam's establishment of a strategic partnership with Canada and General Secretary Tô Lâm's visit to Russia illustrated Hanoi's continued pursuit of diversified international relations. Myanmar's President also concluded the state visit to Vietnam to boost bilateral ties. Meanwhile, the AUKUS milestone provided an opportunity to assess the progress of the Australia–United Kingdom–United States security partnership and its implications for Indo-Pacific defence capabilities. Furthermore, China's military opened a new Logistics and Training Facility in Laos to strengthen bilateral military cooperation.

Vietnam and Canada established their strategic partnership.

Vietnam and Canada elevated their bilateral relations to a Strategic Partnership during Vietnamese General Secretary and President Tô Lâm's state visit to Canada, marking a significant milestone in relations established in 1973. The partnership aims to deepen cooperation across trade and investment, defence and security, maritime security, energy, emerging technologies, supply chains, and education. Both countries also signed or renewed four memoranda of understanding covering energy, maritime transport, environmental cooperation, and food safety.

The agreement reflects Canada's growing engagement with Southeast Asia under its Indo-Pacific Strategy and Vietnam's continued efforts to diversify its external partnerships. The inclusion of defence and maritime security cooperation is particularly significant amid growing strategic competition and maritime challenges in the Indo-Pacific. For ASEAN, the partnership creates further opportunities to strengthen economic connectivity and security cooperation with external partners while reinforcing regional stability and cooperation.

Vietnam's Tô Lâm Visits Russia to Strengthen Bilateral Strategic Cooperation

General Secretary of the Communist Party of Vietnam and President Tô Lâm paid a

state visit to Russia from 7–9 September 2026 at the invitation of Russian President Vladimir Putin. The visit reaffirmed the longstanding Comprehensive Strategic Partnership between the two countries, with discussions focusing on expanding cooperation in defence and security, energy, trade, science and technology, and infrastructure. During talks in Moscow on 9 September, Tô Lâm and Putin agreed to strengthen bilateral economic ties, with a target of increasing annual bilateral trade to US\$15 billion. Both sides also identified nuclear power, oil and gas, renewable energy, and digital transformation as priority areas for future cooperation.

A key outcome was a framework agreement between Russian state-owned energy company Zarubezhneft and Vietnam's PetroVietnam to cooperate on establishing a strategic oil reserve in Vietnam.

The visit highlights Vietnam's continued pursuit of strategic autonomy through maintaining close ties with traditional partners while broadening its international engagement. Russia remains an important partner for Vietnam in defence, energy, and technological cooperation, even as Hanoi diversifies its external relationships. For Southeast Asia, the visit also signals Russia's continued interest in maintaining its regional presence and strengthening engagement with ASEAN member states amid shifting geopolitical alignments.

Myanmar President Min Aung Hlaing Concludes State Visit to Vietnam

Myanmar President Min Aung Hlaing concluded his state visit to Vietnam on 6 September 2026, following meetings with Vietnamese leaders to strengthen bilateral relations and expand cooperation in defence, security, trade, investment and technology. The visit highlighted both countries' interest in enhancing military training, information-sharing, disaster response and security cooperation, alongside expanding Vietnamese investment in Myanmar's telecommunications, agriculture, manufacturing, energy and tourism sectors. Discussions also explored opportunities to strengthen business ties, including cooperation with major Vietnamese companies such as Viettel and VinFast.

The visit also carries broader regional significance, as Min Aung Hlaing seeks to rebuild Myanmar's diplomatic engagement with ASEAN countries amid continued political instability and the military government's exclusion from high-level ASEAN summits. While Vietnam's engagement provides an avenue for maintaining bilateral dialogue and economic cooperation, Myanmar's unresolved conflict and its failure to implement ASEAN's Five-Point Consensus remain major challenges to regional unity and diplomatic normalisation.

This year marks five years of AUKUS.

September 2026 marks five years since Australia, the United Kingdom, and the United States announced the AUKUS trilateral security partnership in September 2021. Established to strengthen collective security and stability in the Indo-Pacific, AUKUS seeks to enhance Australia's defence capabilities through two principal pillars: the development of a conventionally armed, nuclear-powered submarine capability (Pillar I) and cooperation in advanced technologies, including artificial intelligence, cyber capabilities, quantum technologies, and autonomous systems (Pillar II).

Five years on, the partnership has progressed from strategic planning towards industrial development, workforce training, and operational cooperation. In September 2026, Australia's Submarine Agency highlighted investments in submarine infrastructure, the integration of Australian businesses into international supply chains, and training programmes conducted in collaboration with the United States and the United Kingdom. Nevertheless, challenges remain regarding submarine production capacity, workforce requirements, and the timely delivery of capabilities.

AUKUS represents a major initiative to strengthen deterrence and advanced

defence cooperation in the Indo-Pacific. Its development has implications for regional military balances, maritime security, and strategic competition with China.

China's Military Opens New Logistics and Training Facility in Laos

China and Laos inaugurated the China–Laos Joint Support and Training Centre and the China–Laos Friendship Aviation Academy at Ban Keun Airport in Vientiane Province on 29 September 2026. The facility is intended to train Lao Air Force pilots and strengthen bilateral military cooperation through joint training and logistical support. However, satellite imagery reviewed by international media has revealed the presence of Chinese-made light attack aircraft and military vehicles, raising questions about the facility's potential role in expanding China's overseas military footprint. Located approximately 50 kilometres north of Vientiane, the centre could provide Beijing with a strategic foothold in mainland Southeast Asia, complementing its military presence at Cambodia's Ream naval facility. While China maintains that the centre is not directed against any third country, its development is likely to attract scrutiny from regional powers, particularly Vietnam and Thailand, amid wider concerns about Beijing's growing strategic influence in Southeast Asia.