

# Brief Economic Profile of Vietnam



The economy of Vietnam is the 47<sup>th</sup> largest economy in the world measured by nominal gross domestic product (GDP) and 35<sup>th</sup> largest in the world measured by purchasing power parity (PPP). The country is a member of APEC, ASEAN and the WTO.

Since the mid-1980s, through the Doi Moi reform period, Vietnam has made a shift from a highly centralized planned economy to a mixed economy that uses both directive and indicative planning through five-year plans. Over that period, the economy has experienced rapid growth. In the twenty-first century, Vietnam is in a period of being integrated into the global economy. Almost all Vietnamese enterprises are small and medium enterprises (SMEs).

Vietnam has become a leading agricultural exporter and served as an attractive destination for foreign investment in Southeast Asia. In a similar fashion to other Communist countries after the end of the Cold War, the planned economy of Vietnam lost the momentum for productivity and sustainable growth. In the current period, Vietnam's economy relies largely on foreign direct investment to attract the capital

from overseas to support its continual economic rigorousness. Foreign investment on the luxury hotel and sector and resorts will rise to support high-end tourist industry.

According to a forecast by PricewaterhouseCoopers in February 2017, Vietnam may be the fastest-growing of the world's economies, with a potential annual GDP growth rate of about 5.1%, which would make its economy the 20th-largest in the world by 2050.

Vietnam has been named among the Next Eleven and CIVETS countries. Despite economic achievement following Doi Moi, there exist issues that cause many analysts and researchers to remain worried about the economic slowdown in the country in recent years.

In 2003, Vietnam produced an estimated 30.7 million cubic meters of wood. Production of sawn wood was a more modest 2,950 cubic meters. In 1992, in response to dwindling forests, Vietnam imposed a ban on the export of logs and raw timber. In 1997, the ban was extended to all timber products except wooden artifacts. During the 1990s, Vietnam began to reclaim land for forests with a tree-planting program.

Vietnam's fishing industry, which has abundant resources given the country's long coastline and extensive network of rivers and lakes, has generally experienced moderate growth. Vietnam is one of the top rice exporting countries in the world. Vietnam is the world's second largest exporter of coffee.

Petroleum is the main source of energy, followed by coal, which contributes about 25% of the country's energy (excluding biomass). Vietnam's oil reserves are in the range of 270–500 million tons.

The top manufacturing sectors are food processing, cigarettes and tobacco, textiles, chemicals, and electrical goods. Benefitting from its proximity to China with lower labor cost, Vietnam is becoming a new manufacturing hub in Asia, especially for Japanese and Korean firms. For instance, Samsung produces about 40% of its phones in Vietnam.

Source: Wikipedia