

Vietnam: Statistical Appendix

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VIETNAM

Statistical Appendix

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August 28, 2003

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Vietnam: Basic Data

Nominal GDP (2002): US\$34.1 billion
Population (2002): 79.7 million

GDP per capita (2002): US\$428
Fund quota: SDR 329.1 million

	1997	1998	1999	2000	2001	2002
Real GDP (annual percentage change)	8.2	3.5	4.2	5.5	5.0	5.8
Industrial output 1/	13.8	12.5	11.6	18.4	13.7	14.5
Saving-investment balance (in percent of GDP)	-6.9	-4.6	4.0	1.7	1.7	-1.5
Gross national saving	21.4	19.1	26.5	27.0	27.8	25.6
Gross capital formation	28.3	23.7	22.4	25.3	26.1	27.2
Inflation (annual percentage change)						
Period average	3.2	7.7	4.2	-1.6	-0.4	4.0
End of period	3.6	8.9	0.1	-0.5	0.7	4.0
Government budget (in percent of GDP) 2/						
Total revenue	20.0	19.6	19.2	20.6	22.2	22.5
Grants	0.8	0.6	0.6	0.5	0.4	0.4
Total expenditure (excluding onlending and capital costs of reforms)	22.6	20.4	20.6	23.9	25.6	24.8
Of which: current expenditure	16.3	14.7	13.9	16.3	16.8	16.3
Overall fiscal balance (including grants, excluding onlending)	-1.7	-0.1	-0.8	-2.8	-2.9	-1.9
Money and credit (annual percentage change, end of period) 3/						
Broad money	26.1	25.6	39.3	39.0	25.5	17.6
Credit to the economy	22.6	16.4	19.2	38.1	21.4	22.2
Interest rates (in percent, end of period)						
Three-month deposits (households)	8.1	9.7	4.0	4.3	5.9	7.0
Short-term lending (less than one year)	12.7	14.7	11.7	9.8	8.8	9.9
Current account (including official transfers)						
(in millions of U.S. dollars)	-1,664	-1,067	1,285	642	670	-391
(in percent of GDP)	-6.2	-3.9	4.5	2.1	2.2	-1.1
Exports of goods (annual percentage change, U.S. dollar terms)	24.6	2.4	23.2	25.2	4.0	11.2
Imports of goods (annual percentage change, U.S. dollar terms)	0.2	-1.1	1.1	34.5	2.3	22.1
Foreign exchange reserves (in millions of U.S. dollars, end of period)						
Gross official reserves, including gold	1,857	1,765	2,711	3,030	3,387	3,692
(in weeks of next year's imports of goods and nonfactor services)	7.2	6.8	8.1	8.9	8.3	7.5
Net international reserves, including gold	1,258	1,173	2,093	2,191	2,574	2,956
External debt (in percent of GDP) 4/	74.5	75.3	71.4	39.7	41.6	38.3
Convertible currency 5/	35.7	36.3	34.2	39.7	41.6	38.3
Nonconvertible currency	38.8	39.0	37.1	0.0	0.0	0.0
Debt-service ratio (percent of exports of goods and nonfactor services)						
Debt due	12.8	13.9	12.8	10.5	10.6	7.5
Debt paid	8.1	8.1	10.5	9.9	10.6	7.5
Exchange rate (dong per U.S. dollar)						
Period average	11,706	13,297	13,944	14,170	14,806	15,244
End of period	12,292	13,890	14,028	14,514	15,084	15,368
Real effective exchange rate (annual percentage change)						
Period average	3.4	8.1	-6.5	-2.9	0.9	-0.4
End of period	12.7	-9.5	-3.2	2.1	1.4	-2.7
Memorandum items:						
GDP (in trillions of dong at current market prices)	314	361	397	430	458	521
Per capita GDP (in U.S. dollars)	361	359	372	391	393	428

Sources: Data provided by the authorities; and staff estimates and projections.

1/ Year-on-year changes in the gross value of industrial output.

2/ Cash basis.

3/ From 2000 onwards based on expanded monetary survey (State Bank of Vietnam (SBV) and 89 credit institutions); for previous periods, based on small monetary survey (SBV and 28 credit institutions).

4/ London Club rescheduling was concluded in early 1998. Restructuring of the Russian debt was concluded in September 2000 on comparable terms to the 1993 Paris Club rescheduling.

5/ Includes the loan component of foreign direct investment and other private sector borrowing, and short-term debt.

Table 1. Vietnam: Gross Domestic Product by Expenditure Categories at Current Prices, 1996-2002 1/

	1996	1997	1998	1999	2000	2001	2002
	Revised						Est.
(In billions of dong)							
Consumption	225,231	250,584	283,444	301,690	321,853	342,607	381,450
Private	202,509	225,084	255,921	274,553	293,507	312,144	348,060
Government	22,722	25,500	27,523	27,137	28,346	30,463	33,390
Investment	76,450	88,754	104,875	110,503	130,771	150,033	171,995
Gross capital formation	71,597	83,734	97,551	102,799	122,101	140,301	160,840
Change in stocks	4,853	5,020	7,324	7,704	8,670	9,732	11,155
Domestic demand	301,681	339,338	388,319	412,193	452,624	492,640	553,445
Net exports	-29,839	-25,526	-26,371	-11,418	-10,878	-10,982	-21,471
Exports	111,177	135,180	161,910	199,836	243,049	262,846	297,546
Imports	141,016	160,706	188,281	211,254	253,927	273,828	319,017
Statistical discrepancy 2/	194	-189	-932	-883	-100	-363	4,124
GDP	272,036	313,623	361,017	399,942	441,646	481,295	536,098
(In percent of GDP)							
Consumption	82.8	79.9	78.5	75.4	72.9	71.2	71.2
Private	74.4	71.8	70.9	68.6	66.5	64.9	64.9
Government	8.4	8.1	7.6	6.8	6.4	6.3	6.2
Investment	28.1	28.3	29.0	27.6	29.6	31.2	32.1
Gross capital formation	26.3	26.7	27.0	25.7	27.6	29.2	30.0
Change in stocks	1.8	1.6	2.0	1.9	2.0	2.0	2.1
Domestic demand	110.9	108.2	107.6	103.1	102.5	102.4	103.2
Net exports	-11.0	-8.1	-7.3	-2.9	-2.5	-2.3	-4.0
Exports	40.9	43.1	44.8	50.0	55.0	54.6	55.5
Imports	51.8	51.2	52.2	52.8	57.5	56.9	59.5
Statistical discrepancy 2/	0.1	-0.1	-0.3	-0.2	0.0	-0.1	0.8
(Annual percentage change)							
Consumption	20.3	11.3	13.1	6.4	6.7	6.4	11.3
Private	20.2	11.1	13.7	7.3	6.9	6.3	11.5
Government	21.2	12.2	7.9	-1.4	4.5	7.5	9.6
Investment	23.0	16.1	18.2	5.4	18.3	14.7	14.6
Gross capital formation	23.0	17.0	16.5	5.4	18.8	14.9	14.6
Domestic demand	21.0	12.5	14.4	6.1	9.8	8.8	12.3
Exports	32.4	21.6	19.8	23.4	21.6	8.1	13.2
Imports	20.5	14.0	17.2	12.2	20.2	7.8	16.5
GDP	18.8	15.3	15.1	10.8	10.4	9.0	11.4
(Contribution to nominal GDP growth, in percent)							
Domestic demand	121.4	90.5	103.3	61.3	96.9	100.9	111.0
Private consumption	88.2	61.0	69.3	46.9	48.3	52.3	70.9
Fixed capital formation	31.1	29.2	29.2	13.5	46.3	45.9	37.5
Change in stocks	2.1	0.4	4.9	1.0	2.3	2.7	2.6
Net exports	7.5	10.4	-1.8	38.4	1.3	-0.3	-19.1
Statistical discrepancy 2/	-28.9	-0.9	-1.6	0.3	1.8	-0.7	8.2
GDP	100.0	100.0	100.0	100.0	100.0	100.0	100.0

Source: General Statistical Office.

1/ Data are latest official revisions of historical GDP estimates.

2/ Difference between production- and expenditure-based estimates of GDP, the former of which are considered to be more accurate.

Table 2. Vietnam: Gross Domestic Product by Sector and Ownership at Current Prices, 1996-2002 1/

	1996	1997	1998	1999	2000	2001	2002 Est.
(In billions of dong)							
Gross Domestic Product	272,036	313,623	361,017	399,942	441,646	481,295	536,098
State	108,634	126,970	144,406	154,927	170,141	184,837	205,379
(excluding state management) 2/	99,217	116,510	132,557	143,244	158,075	172,053	191,550
Nonstate	163,402	186,653	216,611	245,015	271,505	296,458	330,719
Agriculture	75,514	80,826	93,073	101,723	108,356	111,858	123,268
State	3,424	3,628	3,961	4,188	4,264	4,435	4,774
Nonstate	72,090	77,198	89,112	97,535	104,092	107,423	118,494
Industry and construction	80,876	100,595	117,299	137,959	162,220	183,515	206,648
State	39,228	48,282	55,508	61,955	72,416	80,912	91,790
Nonstate	41,648	52,313	61,791	76,004	89,804	102,603	114,858
Services	115,646	132,202	150,645	160,260	171,070	185,922	206,182
State	65,982	75,060	84,937	88,784	93,462	99,490	108,815
(excluding state management) 2/	56,565	64,600	73,088	77,101	81,396	86,108	94,686
Nonstate	49,664	57,142	65,708	71,476	77,608	86,432	97,367
Wholesale and retail trade	43,125	48,914	55,783	59,384	62,837	67,788	75,617
Hotels and restaurants	9,776	11,307	12,404	13,412	14,343	15,412	17,154
Transport, storage and communication	10,390	12,418	14,076	15,546	17,341	19,431	21,095
Financial intermediation	5,148	5,444	6,274	7,488	8,148	8,762	9,763
Scientific activities and technology	1,629	1,774	2,026	1,902	2,345	2,646	3,009
Real estate services	13,507	15,355	17,683	18,260	19,173	21,590	24,452
Public admin., defense, and compulsory social security	9,417	10,460	11,849	11,643	12,066	12,784	13,829
Education and training	9,887	11,274	13,202	14,004	14,841	16,245	18,125
Health and social work	4,007	4,381	4,979	5,401	5,999	6,418	7,021
Other services	8,760	10,876	12,369	13,180	13,979	14,848	16,117
(In percent of GDP)							
State sector	39.9	40.5	40.0	38.7	38.5	38.4	38.3
(excluding state management) 2/	36.5	37.1	36.7	35.8	35.8	35.7	35.7
Nonstate sector	60.1	59.5	60.0	61.3	61.5	61.6	61.7
Agriculture	27.8	25.8	25.8	25.4	24.5	23.2	23.0
State	1.3	1.2	1.1	1.0	1.0	0.9	0.9
Nonstate	26.5	24.6	24.7	24.4	23.6	22.3	22.1
Industry and construction	29.7	32.1	32.5	34.5	36.7	38.1	38.5
State	14.4	15.4	15.4	15.5	16.4	16.8	17.1
Nonstate	15.3	16.7	17.1	19.0	20.3	21.3	21.4
Services	42.5	42.2	41.7	40.1	38.7	38.6	38.5
State	24.3	23.9	23.5	22.2	21.2	20.7	20.3
(excluding state management) 2/	20.8	20.6	20.2	19.3	18.4	17.9	17.7
Nonstate	18.3	18.2	18.2	17.9	17.6	18.0	18.2
Wholesale and retail trade	15.9	15.6	15.5	14.8	14.2	14.1	14.1
Hotels and restaurants	3.6	3.6	3.4	3.4	3.2	3.2	3.2
Transport, storage and communication	3.8	4.0	3.9	3.9	3.9	4.0	3.9
Financial intermediation	1.9	1.7	1.7	1.9	1.8	1.8	1.8
Scientific activities and technology	0.6	0.6	0.6	0.5	0.5	0.5	0.6
Real estate services	5.0	4.9	4.9	4.6	4.3	4.5	4.6
Public admin., defense, and compulsory social security	3.5	3.3	3.3	2.9	2.7	2.7	2.6
Education and training	3.6	3.6	3.7	3.5	3.4	3.4	3.4
Health and social work	1.5	1.4	1.4	1.4	1.4	1.3	1.3
Other services	3.2	3.5	3.4	3.3	3.2	3.1	3.0

Source: General Statistical Office.

1/ Data are latest official revisions of historical GDP estimates.

2/ State management includes public administration, defense, and compulsory social security.

Table 3. Vietnam: Gross Domestic Product by Sector at Constant Prices, 1996-2002

	1996	1997	1998	1999	2000	2001	2002 Est.
(In billions of dong, at 1994 constant prices)							
Agriculture, forestry, and fishery	53,577	55,895	57,866	60,893	63,717	65,618	68,283
Agriculture	45,652	47,915	49,639	52,370	54,493	55,613	57,843
Forestry	2,448	2,450	2,459	2,536	2,544	2,556	2,568
Fishery	5,477	5,530	5,768	5,987	6,680	7,449	7,872
Industry	67,016	75,474	81,764	88,047	96,913	106,986	117,082
Mining and quarrying	11,753	13,304	15,173	17,200	18,430	19,185	19,396
Manufacturing	34,339	38,743	42,694	46,105	51,492	57,335	63,983
Electricity, gas, and water supply	3,986	4,572	5,136	5,531	6,337	7,173	7,949
Construction	16,938	18,855	18,761	19,211	20,654	23,293	25,754
Services	93,240	99,896	104,966	107,329	113,036	119,931	127,770
Wholesale and retail trade	36,866	39,422	41,170	41,993	44,644	47,779	51,245
Hotels and restaurants	7,428	7,949	8,307	8,517	8,863	9,458	10,125
Transport, storage, and communications	8,429	9,178	9,536	10,141	10,729	11,441	12,252
Financial intermediation	4,388	4,578	4,843	5,327	5,650	6,005	6,424
Science and technology	1,273	1,315	1,392	1,267	1,571	1,749	1,908
Real estate services	10,337	11,071	11,682	11,926	12,231	12,631	13,105
State management 1/	7,558	7,860	8,174	7,723	8,021	8,439	8,777
Education and training	7,526	8,062	8,614	8,809	9,162	9,687	10,507
Health and social work	3,220	3,348	3,566	3,707	3,946	4,151	4,442
Other services	6,215	7,113	7,682	7,919	8,219	8,591	8,985
Gross Domestic Product	213,833	231,265	244,596	256,269	273,666	292,535	313,135
(Real GDP, annual percentage change)							
Agriculture, forestry, and fishery	4.4	4.3	3.5	5.2	4.6	3.0	4.1
Agriculture	4.6	5.0	3.6	5.5	4.1	2.1	4.0
Forestry	2.0	0.1	0.4	3.1	0.3	0.5	0.5
Fishery	4.1	1.0	4.3	3.8	11.6	11.5	5.7
Industry	14.5	12.6	8.3	7.7	10.1	10.4	9.4
Mining and quarrying	13.6	13.2	14.0	13.4	7.2	4.1	1.1
Manufacturing	13.6	12.8	10.2	8.0	11.7	11.3	11.6
Electricity, gas, and water supply	17.8	14.7	12.3	7.7	14.6	13.2	10.8
Construction	16.1	11.3	-0.5	2.4	7.5	12.8	10.6
Services	8.8	7.1	5.1	2.3	5.3	6.1	6.5
Wholesale and retail trade	9.7	6.9	4.4	2.0	6.3	7.0	7.3
Hotels and restaurants	10.2	7.0	4.5	2.5	4.1	6.7	7.1
Transport, storage, and communications	7.4	8.9	3.9	6.3	5.8	6.6	7.1
Financial intermediation	11.4	4.3	5.8	10.0	6.1	6.3	7.0
Real estate services	6.2	7.1	5.5	2.1	2.6	3.3	3.8
State management 1/	7.0	4.0	4.0	-5.5	3.9	5.2	4.0
Education and training	8.0	7.1	6.8	2.3	4.0	5.7	8.5
Health and social work	7.0	4.0	6.5	4.0	6.4	5.2	7.0
Other services	10.9	14.4	8.0	3.1	3.8	4.5	4.6
Gross Domestic Product	9.3	8.2	5.8	4.8	6.8	6.9	7.0
(GDP deflator, annual percentage change)							
Agriculture, forestry, and fishery	16.3	2.6	11.2	3.9	1.8	0.2	5.9
Agriculture	10.8	2.8	11.6	3.7	0.9	-1.7	5.5
Forestry	61.9	2.5	9.7	4.9	2.7	2.6	6.2
Fishery	40.9	2.7	9.8	5.1	5.6	7.7	7.5
Industry	7.4	10.4	7.6	9.2	6.8	2.5	2.9
Mining and quarrying	22.2	14.3	7.3	22.9	18.0	0.0	3.8
Manufacturing	5.9	11.0	8.7	5.9	3.7	4.3	3.8
Electricity, gas, and water supply	18.1	14.7	7.0	5.3	4.2	1.2	2.8
Construction	-3.1	3.8	2.1	1.9	1.0	4.8	2.2
Services	5.4	6.7	8.4	4.0	1.4	2.4	4.1
Wholesale and retail trade	4.8	6.1	9.2	4.4	-0.5	0.8	4.0
Hotels and restaurants	2.9	8.1	5.0	5.5	2.8	0.7	4.0
Transport, storage, and communications	6.1	9.8	9.1	3.9	5.4	5.1	1.4
Financial intermediation	0.4	1.4	8.9	8.5	2.6	1.2	4.2
Real estate services	2.7	6.1	9.1	1.2	2.4	9.0	9.2
State management 1/	6.3	6.8	8.9	4.4	2.4	9.0	9.2
Education and training	10.4	6.4	9.6	3.7	-0.6	0.7	4.0
Health and social work	2.8	5.2	6.7	4.3	1.9	3.5	2.9
Other services	12.7	8.5	5.3	3.4	4.3	1.7	2.2
Gross Domestic Product	8.7	6.6	8.8	5.7	3.4	1.9	4.1

Sources: General Statistical Office; and staff estimates.

1/ State management includes public administration, defense, and compulsory social security.

Table 4. Vietnam: Consumer Price Inflation, 1999-2003 1/
(Year-on-year percentage changes, unless otherwise indicated, 2000=100)

	Overall index		Food			Nonfood			
	Inflation	Index 2/	Staples	Other food	Drinks & Tobacco	Clothes, footwear	Household goods	Housing, construction	Transport, post, telecom.
			Weight (in percent)	13.1	29.6	4.5	7.6	9.2	8.2	10.1
1999									
January	9.1	101.7	102.4	101.7	101.4	100.9	102.0	100.2	101.2
February	8.8	101.9	101.5	103.2	101.2	101.5	101.0	99.8	101.6
March	8.9	99.3	98.3	99.2	99.3	99.8	99.6	99.8	99.5
April	6.6	99.4	97.7	99.4	99.8	100.0	100.0	99.9	99.8
May	4.7	99.6	98.2	100.3	100.3	99.3	99.8	100.3	99.6
June	4.4	99.7	97.1	100.5	99.7	100.3	100.4	100.6	99.8
July	4.5	99.6	98.6	99.6	99.9	100.0	100.1	100.4	99.9
August	2.9	99.6	98.7	99.3	100.3	100.1	99.8	100.2	100.1
September	1.3	99.4	98.8	98.9	100.2	99.8	100.0	100.4	100.1
October	0.0	99.0	97.8	98.2	100.0	99.8	100.1	100.4	99.7
November	0.3	100.4	101.7	100.2	100.3	99.8	100.3	100.0	99.8
December	0.1	100.5	101.3	100.1	100.2	100.6	100.4	100.5	100.5
Average	4.3	100.0	99.3	100.0	100.2	100.2	100.3	100.2	100.1
2000									
January	-1.2	100.4	101.4	99.8	100.5	100.5	100.4	100.4	99.7
February	-1.5	101.6	100.6	103.4	100.7	100.8	100.4	100.9	100.4
March	-1.9	98.9	98.3	97.6	99.1	99.3	99.7	101.3	100.4
April	-2.0	99.3	97.5	99.6	99.3	99.5	98.9	99.5	100.2
May	-2.2	99.4	97.4	99.3	99.6	99.8	100.5	100.6	100.2
June	-2.4	99.5	97.1	100.1	100.4	100.1	101.0	100.2	100.3
July	-2.6	99.4	97.4	99.7	100.0	100.1	100.1	100.2	99.8
August	-2.1	100.1	99.9	100.1	99.9	99.8	100.0	100.1	100.2
September	-1.7	99.8	99.6	99.5	100.4	99.9	100.2	100.2	99.9
October	-0.6	100.1	99.9	99.6	100.0	100.0	100.3	101.2	100.5
November	-0.1	100.9	102.3	101.4	100.3	100.3	100.2	100.0	100.2
December	-0.5	100.1	100.7	99.3	100.1	100.3	100.5	100.0	99.9
Average	-1.6	100.0	99.3	100.0	100.0	100.0	100.2	100.4	100.1
2001									
January	-0.7	100.3	100.5	100.1	101.4	100.9	100.5	100.2	100.1
February	-1.8	100.4	98.9	101.3	100.3	99.6	100.1	100.1	99.9
March	-1.5	99.3	98.7	98.4	100.2	99.8	99.8	100.2	99.7
April	-1.3	99.5	98.0	99.7	99.5	100.2	99.9	100.0	99.6
May	-0.9	99.8	98.8	100.3	100.2	100.0	100.1	99.9	99.7
June	-0.4	100.0	99.2	100.4	100.1	99.8	100.4	100.0	99.8
July	0.1	99.8	99.4	99.7	99.2	100.1	100.0	100.0	100.2
August	0.0	100.0	101.2	100.3	99.8	99.4	100.1	99.6	99.9
September	0.7	100.5	102.3	100.0	100.3	100.7	100.1	100.2	100.1
October	0.6	100.0	100.4	99.6	100.0	100.0	100.0	100.2	99.0
November	-0.1	100.2	102.8	100.0	100.1	100.1	100.0	100.4	97.6
December	0.7	101.0	105.9	100.5	99.9	100.1	100.0	100.0	99.7
Average	-0.4	100.1	100.5	100.0	100.1	100.1	100.1	100.1	99.6
2002									
January	1.6	101.1	104.0	101.1	100.4	100.6	100.4	100.0	100.1
February	3.4	102.2	102.7	104.6	101.4	100.5	100.3	100.2	101.0
March	3.3	99.2	98.9	99.3	99.2	99.7	99.7	99.8	99.1
April	3.9	100.0	98.2	100.8	99.8	99.9	100.1	99.9	99.9
May	4.4	100.3	99.5	101.3	100.4	99.8	100.0	100.3	99.9
June	4.5	100.1	97.5	101.4	100.1	100.0	100.0	100.5	100.0
July	4.5	99.9	98.6	100.1	100.2	99.9	100.0	100.2	100.0
August	4.6	100.1	99.9	100.0	100.2	100.1	100.1	100.2	100.1
September	4.3	100.2	100.6	100.1	100.3	100.4	100.1	100.4	100.0
October	4.7	100.3	100.2	99.6	100.6	100.0	99.9	103.1	101.0
November	4.8	100.3	101.1	99.5	100.3	100.1	100.0	101.9	100.6
December	4.0	100.3	101.6	99.8	100.7	100.1	100.2	100.5	100.0
Average	4.0	100.3	100.2	100.6	100.3	100.1	100.1	100.6	100.1
2003									
January	3.8	100.9	101.6	101.3	100.9	100.8	100.3	100.6	100.4
February	3.8	103.4	101.2	104.4	102.2	100.6	100.2	100.5	101.3
March	3.9	103.4	99.1	97.6	99.4	99.8	100.2	101.9	100.7
Average	3.9	100.8	100.6	101.1	100.8	100.4	100.2	101.0	100.8

Sources: General Statistical Office; and staff estimates.

1/ Beginning in July 2001, the weights on and sub-items in the components were changed. Earlier data have been weighted based on the new CPI weights.

2/ Month-to-month.

Table 5. Vietnam: Gross Value of Agricultural Production at Constant Prices, 1997-2002

	1997	1998	1999	2000	2001	2002
	Revised					Est.
(In billions of dong, at constant 1994 prices)						
Total	91,211	96,496	103,718	109,364	112,188	118,122
Food crops	59,942	62,257	66,475	69,076	69,797	74,688
Paddy and other cereals	46,593	49,060	52,720	55,163	55,066	58,687
Vegetables and beans	5,441	5,682	6,180	6,332	6,844	7,607
Fruits	6,132	6,091	6,131	6,106	6,402	6,865
Other	1,416	1,424	1,444	1,475	1,485	1,529
Industrial crops	15,804	18,035	19,906	21,782	23,109	22,234
Animal husbandry	15,465	16,204	17,337	18,505	19,282	21,200
(In percent of total production)						
Food crops	65.7	64.5	64.1	63.2	62.2	63.2
Paddy and other cereals	51.1	50.8	50.8	50.4	49.1	49.7
Vegetables and beans	6.0	5.9	6.0	5.8	6.1	6.4
Fruits	6.7	6.3	5.9	5.6	5.7	5.8
Other	1.6	1.5	1.4	1.3	1.3	1.3
Industrial crops	17.3	18.7	19.2	19.9	20.6	18.8
Animal husbandry	17.0	16.8	16.7	16.9	17.2	17.9
(Annual percentage change)						
Total	8.6	5.8	7.5	5.4	2.6	5.3
Food crops	5.5	3.9	6.8	3.9	1.0	7.0
Paddy and other cereals	4.3	5.3	7.5	4.6	-0.2	6.6
Vegetables and beans	6.9	4.4	8.8	2.5	8.1	11.1
Fruits	7.8	-0.7	0.7	-0.4	4.8	7.2
Other	2.4	0.6	1.4	2.1	0.7	3.0
Industrial crops	23.4	14.1	10.4	9.4	6.1	-3.8
Animal husbandry	7.8	4.8	7.0	6.7	4.2	9.9

Source: General Statistical Office.

Table 6. Vietnam: Production of Food Staples, 1997-2002

	1997	1998	1999	2000	2001	2002
		Revised			Estimate	
(In thousands of tons)						
Total production	29,175	30,757	33,147	34,536	34,270	36,379
By product						
Rice paddy	27,524	29,145	31,394	32,530	32,108	34,064
Spring crop	13,310	13,560	14,103	15,571	15,474	16,724
Autumn crop	6,638	7,523	8,758	8,625	8,328	8,956
Winter crop	7,576	8,063	8,533	8,333	8,306	8,384
Other staples (rice equivalent units) 1/	3,094	2,708	2,860	...	...	...
Other staples (gross output)	5,745	4,911	5,298	5,604	7,325	8,198
Maize	1,651	1,612	1,753	2,006	2,162	2,315
Sweet potato	1,691	1,526	1,745	1,611	1,654	1,725
Cassava	2,403	1,773	1,801	1,986	3,509	4,158
Potatoes	...	...	...	...	...	...
By region						
North	11,186	11,379	12,407	13,039	13,775	13,872
South	17,989	19,378	20,740	21,497	20,495	22,507
(Annual percentage change)						
Total production	4.4	5.4	7.8	4.2	-0.8	6.2
Rice paddy	4.3	5.9	7.7	3.6	-1.3	6.1
Spring crop	9.0	1.9	4.0	10.4	-0.6	8.1
Autumn crop	-3.5	13.3	16.4	-1.5	-3.4	7.5
Winter crop	3.7	6.4	5.8	-2.3	-0.3	0.9
Other staples (rice equivalent units) 1/	9.7	-12.5	5.6	...	...	...
Maize	7.4	-2.4	8.8	14.4	7.8	7.1
Sweet potato	-0.4	-9.8	14.3	-7.6	2.7	4.3
Cassava	16.2	-26.2	1.6	10.3	76.7	18.5
Potatoes	...	...	...	...	...	...
(In thousands of hectares)						
Total area cultivated	7,763	8,013	8,346	8,396	8,223	8,295
By product						
Rice paddy	7,100	7,363	7,654	7,666	7,493	7,485
Spring crop	2,683	2,783	2,889	3,013	3,057	3,033
Autumn crop	1,885	2,141	2,341	2,293	2,211	2,276
Winter crop	2,532	2,439	2,424	2,360	2,225	2,176
Other staples	1,230	1,224	1,220	1,222	1,267	1,380
Maize	663	650	692	730	730	810
Sweet potato	267	254	270	254	245	240
Cassava	254	236	225	238	292	330
Other	46	84	33	0	0	0
By region						
North	2,992	2,982	3,013	3,068	3,050	3,076
South	4,771	5,031	5,333	5,328	5,173	5,219
(In metric tons per hectare)						
Yield						
By product						
Rice paddy	3.9	4.0	4.1	4.2	4.3	4.6
Spring crop	5.0	4.9	4.9	5.2	5.1	5.5
Autumn crop	3.5	3.5	3.7	3.8	3.8	3.9
Winter crop	3.0	3.3	3.5	3.5	3.7	3.9
Maize	2.5	2.5	2.5	2.7	3.0	2.9
Sweet potato	6.3	6.0	6.5	6.3	6.8	7.2
Cassava	9.5	7.5	8.0	8.3	12.0	12.6
By region						
North	3.7	3.8	4.1	4.3	4.5	4.5
South	3.8	3.9	3.9	4.0	4.0	4.3
Per capita production						
Total staples (in metric tons per capita)	0.4	0.4	0.4	0.4	0.4	0.5
Rice	0.4	0.4	0.4	0.4	0.4	0.4
Other staples (maize)	0.0	0.0	0.0	0.0	0.0	0.0
(in percent of total staples production)	5.6	5.2	5.3	5.8	6.1	6.4
Total staples (1994 = 100)	112.7	117.0	124.2	127.7	124.7	131.0
Rice	111.5	116.3	123.4	126.1	122.8	128.6
Other staples (maize)	137.6	132.3	141.7	160.0	163.9	179.8
Total staples (annual percentage change)	2.8	3.8	6.2	2.8	-2.3	5.0
Rice	2.7	4.3	6.1	2.2	-2.6	4.7
Other staples (maize)	5.8	-3.9	7.1	12.9	2.4	9.7

Sources: Ministry of Agriculture and Forestry and General Statistical Office; and staff estimates.

1/ Since 2000 the other staples (rice equivalent units) have not been calculated, therefore, the total production consists of the rice paddy and the maize.

Table 7. Vietnam: Industrial Crop Production and Livestock, 1997-2002

	1997	1998	1999	2000	2001	2002
		Revised			Estimate	
(In thousands of metric tons)						
Production of annual crops						
Cotton	14	22	22	19	34	37
Jute	22	15	9	11	15	21
Rush	81	70	73	61	65	85
Sugarcane	11,921	13,844	17,760	15,044	14,657	16,823
Peanuts	351	386	318	355	363	397
Soybeans	113	147	147	149	174	201
Tobacco	27	33	36	27	32	34
Production of perennial crops						
Tea	52	57	70	70	76	90
Coffee	421	427	553	803	841	689
Rubber	187	194	249	291	313	331
Coconut	1,318	1,106	1,104	885	892	838
Pepper	13	16	31	39	44	51
(Annual percentage change)						
Cotton	25.9	56.0	0.9	-15.3	78.7	10.7
Jute	4.3	-34.5	-35.6	20.2	29.2	40.4
Rush	4.3	-13.6	3.7	-15.3	5.0	31.8
Sugarcane	4.3	16.1	28.3	-15.3	-2.6	14.8
Peanuts	-0.2	9.9	-17.6	11.7	2.2	9.3
Soybeans	-0.9	29.8	0.3	1.4	16.3	15.9
Tobacco	12.5	22.4	6.9	-23.9	18.1	7.5
Tea	10.6	8.4	24.2	-0.6	8.3	18.4
Coffee	31.6	1.6	29.4	45.1	4.7	-18.1
Rubber	30.9	3.8	28.5	16.9	7.5	6.0
(In thousands of hectares)						
Area cultivated of annual crops	728	808	889	778	786	840
Of which:						
Cotton	15	24	21	19	28	35
Jute	12	7	4	6	8	10
Rush	11	10	11	9	10	12
Sugarcane	257	283	344	302	291	317
Peanuts	254	269	248	245	245	247
Soybeans	106	129	129	124	140	158
Tobacco	26	32	33	24	24	27
Area cultivated of perennial crops	1,153	1,203	1,258	1,451	1,476	1,505
Of which:						
Tea	79	77	85	88	98	107
Coffee	340	371	478	562	565	531
Rubber	348	382	395	412	416	429
Coconut	170	163	164	161	156	147
Pepper	10	13	18	28	36	44
(In output per hectare, in metric tons)						
Cotton	0.9	0.9	1.0	1.0	1.2	1.1
Jute	1.9	2.2	2.3	2.1	1.9	2.1
Rush	7.3	7.1	6.7	6.6	6.6	7.3
Sugarcane	46.4	48.9	51.6	49.8	50.4	53.0
Peanut	1.4	1.4	1.3	1.5	1.5	1.6
Soybeans	1.1	1.1	1.1	1.2	1.2	1.3
Tobacco	1.0	1.0	1.1	1.1	1.3	1.3
Tea	0.7	0.7	0.8	0.8	0.8	0.8
Coffee	1.2	1.2	1.2	1.4	1.5	1.3
Rubber	0.5	0.5	0.6	0.7	0.8	0.8
(In millions of heads)						
Livestock						
Buffalo	2.9	3.0	3.0	2.9	2.8	2.8
Cattle	3.9	4.0	4.1	4.1	3.9	4.1
Pigs (over two months old)	17.6	18.1	18.9	20.2	21.8	23.2
Poultry	160.6	166.4	179.3	196.2	218.1	233.3

Sources: Ministry of Agriculture and Forestry and General Statistical Office.

Table 8. Vietnam: Gross Value of Industrial Production at Constant Prices, 1997-2002 1/

	1997	1998	1999	2000	2001	2002
					Estimate	
(In trillions of dong, at constant 1994 prices)						
Mining	18.3	21.1	24.6	27.3	29.1	29.9
Coal	2.2	2.1	2.0	2.4	2.7	3.1
Oil and gas	14.2	16.9	20.6	22.7	23.8	23.7
Metal ores	0.2	0.2	0.2	0.2	0.2	0.3
Stone and other mining	1.7	1.9	1.8	2.0	2.4	2.8
Manufacturing	107.7	120.7	133.6	158.1	183.5	213.7
Food and beverages	34.0	36.5	37.7	43.6	50.4	57.9
Cigarettes and tobacco	4.4	4.9	4.8	5.7	6.7	7.4
Textiles and garments	11.6	13.1	13.6	16.1	17.5	19.5
Textile	7.3	8.4	8.4	10.1	10.6	11.4
Garments	4.3	4.7	5.2	6.0	6.9	8.0
Leather tanning and processing	6.6	7.1	7.7	8.9	9.5	10.3
Wood and paper products	5.7	6.2	6.7	7.5	8.5	9.4
Wood products	3.1	3.0	3.2	3.6	3.9	4.3
Paper	2.6	3.2	3.5	3.9	4.6	5.1
Printing, copying, publishing	1.6	1.9	2.0	2.3	2.5	2.6
Chemical and petroleum products	7.3	8.2	9.8	11.4	13.2	15.1
Coke and petroleum	0.1	0.1	0.1	0.2	0.3	0.5
Chemicals	7.2	8.1	9.7	11.1	12.9	14.6
Rubber and plastics	3.5	4.4	5.4	6.5	8.1	9.9
Nonmetallic products	12.2	13.7	14.8	18.3	21.6	25.9
Metal products	7.6	8.3	10.0	11.7	13.9	16.4
Metallic products	4.0	4.1	5.0	5.9	6.8	7.9
Products made of metal	3.6	4.2	5.0	5.8	7.1	8.5
Machinery and equipment	1.7	2.1	4.0	4.1	4.4	5.0
Computer and office equipment	0.0	0.2	1.7	1.3	1.0	0.8
Other machinery and equipment	1.7	1.9	2.3	2.8	3.4	4.2
Electric and electronic products	5.1	6.2	7.3	8.4	11.0	14.5
Radio, TV, telecom. equipment	3.3	3.5	4.0	4.4	5.4	6.4
Medical instruments	0.2	0.4	0.4	0.4	0.5	0.5
Other electric and electronic products	1.6	2.3	2.9	3.6	5.2	7.6
Vehicles and transport equipment	3.4	5.1	6.3	9.7	11.4	14.0
Assembling and repairing of motor vehicles	1.6	1.7	1.8	3.2	4.3	5.8
Transport equipment	1.8	3.4	4.5	6.4	7.1	8.2
Furniture and other	3.0	3.0	3.5	4.1	4.9	5.9
Furniture	2.8	2.8	3.4	3.9	4.8	5.8
Other	0.2	0.2	0.1	0.2	0.2	0.2
Electricity, gas, and water	8.4	9.4	10.5	12.9	14.7	16.6
Electricity and gas	7.6	8.5	9.5	11.8	13.6	15.4
Water supply	0.8	0.9	1.0	1.1	1.1	1.2
Total	134.4	151.2	168.7	198.3	227.3	260.1
(Annual percentage change)						
Mining	14.4	15.3	16.6	10.9	6.7	2.6
Oil and gas	13.6	19.0	21.9	10.2	4.7	-0.3
Manufacturing	13.5	12.1	10.7	18.3	16.1	16.4
Food and beverages	10.0	7.4	3.3	15.7	15.4	15.0
Textiles and garments	18.4	12.9	3.8	18.3	8.8	11.1
Metal products	7.9	9.9	20.5	16.8	19.0	17.6
Electric and electronic products	8.5	21.6	17.7	15.6	30.7	31.6
Vehicles and transport equipment	-1.4	52.1	23.5	53.2	17.6	23.6
Electricity, gas, and water	15.1	11.9	11.7	22.9	13.6	13.1
Total	13.8	12.5	11.6	17.5	14.6	14.5

Source: General Statistical Office.

1/ Due to reclassification of industrial activities, previously published industrial sector data are not comparable with the data in this table.

Table 9. Vietnam: Industrial Production by Sector of Ownership at Constant Prices, 1997-2002 1/

	1997	1998	1999	2000	2001	2002
		Revised				Est.
(In billions of dong, at constant 1994 prices)						
Total industrial production	134,420	151,223	168,749	198,326	227,342	260,202
State sector	64,474	69,463	73,208	82,897	93,434	104,348
Central	42,215	45,677	48,395	54,962	62,119	69,964
Local	22,259	23,786	24,813	27,935	31,315	34,384
Nonstate sector	31,068	33,402	37,027	44,144	53,647	63,948
Cooperatives	751	859	1,076	1,334	1,575	1,875
Private	3,224	3,383	3,718	4,432	5,276	6,067
Household	19,704	20,826	21,983	23,432	24,956	26,254
Mixed	7,389	8,334	10,250	14,946	21,840	29,752
Foreign invested sector	38,878	48,358	58,514	71,285	80,261	91,906
of which: oil and gas	14,239	16,869	20,582	22,745	23,766	23,714
(excluding oil and gas)	24,639	31,489	37,932	48,540	56,495	68,192
(In percent of total industrial production)						
State sector	48.0	45.9	43.4	41.8	41.1	40.1
Central	31.4	30.2	28.7	27.7	27.3	26.9
Local	16.6	15.7	14.7	14.1	13.8	13.2
Nonstate sector	23.1	22.1	21.9	22.3	23.6	24.6
Cooperatives	0.6	0.6	0.6	0.7	0.7	0.7
Private	2.4	2.2	2.2	2.2	2.3	2.3
Household	14.7	13.8	13.0	11.8	11.0	10.1
Mixed	5.5	5.5	6.1	7.5	9.6	11.4
Foreign invested sector	28.9	32.0	34.7	35.9	35.3	35.3
(excluding oil and gas)	18.3	20.8	22.5	24.5	24.9	26.2
(Annual percentage change)						
Total industrial production	13.8	12.5	11.6	17.5	14.6	14.5
State sector	10.8	7.7	5.4	13.2	12.7	11.7
Central	9.9	8.2	6.0	13.6	13.0	12.6
Local	12.7	6.9	4.3	12.6	12.1	9.8
Nonstate sector	9.5	7.5	10.9	19.2	21.5	19.2
Cooperatives	9.7	14.4	25.3	24.0	18.1	19.0
Private	15.5	4.9	9.9	19.2	19.0	15.0
Household	3.8	5.7	5.6	6.6	6.5	5.2
Mixed	24.9	12.8	23.0	45.8	46.1	36.2
Foreign invested sector	-33.2	24.4	21.0	21.8	12.6	14.5
(excluding oil and gas)	-46.1	27.8	20.5	28.0	16.4	20.7

Sources: General Statistical Office; and staff estimates.

1/ Due to reclassification of industrial activities, previously published industrial sector data are not comparable with the data in this table.

Table 10. Vietnam: Population and Employment, 1997-2002 1/

	1997	1998	1999	2000	2001	2002 Est.
(In thousands of persons, unless otherwise indicated)						
Total population 2/	74,307	75,456	76,597	77,635	78,686	79,727
(annual percentage change)	1.6	1.5	1.5	1.4	1.4	1.3
Urban 3/	16,835	17,465	18,082	18,805	19,481	20,022
(annual percentage change)	9.2	3.7	3.5	4.0	3.6	1.0
Rural 3/	57,472	57,992	58,515	58,830	59,205	59,705
(annual percentage change)	-0.5	0.9	0.9	0.5	0.6	0.8
Total employment	34,493	35,233	35,976	36,702	37,676	38,715
Unemployment rate 4/	6.0	6.9	6.7	6.4	6.3	6.0
(In percent of total population)						
Urban 3/	22.7	23.1	23.6	24.2	24.8	25.1
Rural 3/	77.3	76.9	76.4	75.8	75.2	74.9
Female	49.1	49.2	49.2	49.2	49.2	49.2
Male	50.9	50.8	50.8	50.8	50.8	50.8
Age under 15	...	...	33.2	33.1	32.1	...
Age 15-59	...	...	58.8	58.9	58.8	...
Age 60 and over	...	...	8.1	8.0	9.1	...
Total employment	46.4	46.7	47.0	47.3	47.9	48.6
(In thousands of persons)						
Total employment	34,493	35,233	35,976	36,702	37,676	38,715
Nonstate sector	31,226	31,850	32,543	33,200	34,072	35,105
State sector 5/	3,267	3,383	3,433	3,501	3,604	3,611
Central	1,359	1,404	1,422	1,442	1,499	1,501
Local	1,908	1,979	2,011	2,059	2,105	2,110
(In percent of total employment)						
Nonstate sector	90.5	90.4	90.5	90.5	90.4	90.7
State sector	9.5	9.6	9.5	9.5	9.6	9.3
Central	3.9	4.0	4.0	3.9	4.0	3.9
Local	5.5	5.6	5.6	5.6	5.6	5.4
(Annual percentage change)						
Total employment	...	2.1	2.1	2.0	2.7	2.8
Nonstate sector	...	2.0	2.2	2.0	2.6	3.0
State sector	...	3.6	1.5	2.0	2.9	0.2
Central	...	3.3	1.3	1.4	3.9	0.1
Local	...	3.7	1.6	2.4	2.2	0.3

Sources: General Statistical Office (GSO) and Ministry of Labour, Invalids, and Social Affairs (MOLISA); and staff estimates.

1/ Beginning in 1999, employment data are as reported in the *Status of Labour - Employment in Vietnam* (MOLISA). Prior to 1999, as reported in the various *Statistical Yearbooks* (GSO).

2/ Annual official estimates adjusted on the basis of the 1989 and 1999 census.

3/ Armed forces and some other special groups are excluded from urban/rural categories.

4/ For labor force in urban area comprising males 15 to 60 years old and females 15-55 years old.

5/ As reported by GSO.

Table 11. Vietnam: Total and Nonstate Employment by Sector, 1997-2002 1/

	1997	1998	1999	2000	2001 Estimate	2002
1. State and nonstate employment						
(In thousands of persons)						
Total employment	34,493	35,233	35,976	36,702	37,676	38,715
Agriculture, fisheries, and forestry	24,196	24,504	24,792	25,045	25,305	25,573
Industry and construction	4,021	4,157	4,300	4,445	4,712	5,003
Industry 2/	3,172	3,279	3,392	3,507	3,644	3,787
Construction	849	878	908	939	1,068	...
Trade, transport, and communications	3,041	3,232	3,431	3,644	3,930	4,239
Trade	2,216	2,372	2,538	2,714	2,904	3,106
Transport and communications	825	859	894	929	1,026	...
Education, health, science, and arts	1,227	1,250	1,275	1,299	1,357	1,418
Other 2/	2,009	2,090	2,177	2,269	2,373	2,484
(Annual percentage change)						
Total employment	2.2	2.1	2.1	2.0	2.7	2.8
Agriculture, fisheries, and forestry	1.3	1.3	1.2	1.0	1.0	1.1
Industry and construction	3.4	3.4	3.4	3.4	6.0	6.2
Trade, transport, and communications	6.2	6.3	6.2	6.2	7.8	7.9
Education, health, science, and arts	2.0	1.9	1.9	1.9	4.5	4.5
Other 2/	4.0	4.0	4.2	4.2	4.6	4.7
(In percent of total employment)						
Agriculture, fisheries, and forestry	70.1	69.5	68.9	68.2	67.2	66.1
Industry and construction	11.7	11.8	12.0	12.1	12.5	12.9
Trade, transport, and communications	8.8	9.2	9.5	9.9	10.4	10.9
Education, health, science, and arts	3.6	3.5	3.5	3.5	3.6	3.7
Other 3/	5.8	5.9	6.1	6.2	6.3	6.4
(In thousands of dong at 1994 prices)						
Total output per worker	6,705	6,942	7,123	7,456	7,764	8,088
Agriculture, fisheries, and forestry	2,310	2,361	2,456	2,544	2,593	2,670
Industry and construction	18,771	19,669	20,474	21,801	22,704	23,405
Trade, transport, and communications	15,982	15,691	15,193	15,197	15,071	14,980
Other 2/	15,856	16,245	15,989	16,162	16,278	16,473
(Annual percentage change)						
Total output per worker	5.9	3.5	2.6	4.7	4.1	4.2
Agriculture, fisheries, and forestry	2.9	2.2	4.0	3.6	1.9	3.0
Industry and construction	8.9	4.8	4.1	6.5	4.1	3.1
Trade, transport, and communications	1.0	-1.8	-3.2	0.0	-0.8	-0.6
2. Nonstate employment 4/						
(In thousands of persons)						
Total nonstate employment	31,226	31,850	32,543	33,200	34,072	35,105
Agriculture, fisheries, and forestry	23,939	24,261	24,570	24,819	25,080	25,346
Industry and construction	2,875	2,947	3,058	3,183	3,403	3,712
Industry 2/	2,365	2,437	2,527	2,644	2,764	3,395
Construction	510	510	531	540	639	...
Trade, transport, and communications	2,639	2,832	3,042	3,253	3,539	3,847
Trade	2,011	2,171	2,351	2,523	2,714	2,914
Transport and communications	628	660	692	730	825	...
Education, health, science, and arts	211	180	175	173	162	214
Other 3/	1,562	1,630	1,697	1,773	1,889	1,995
(Annual percentage change)						
Total nonstate employment	2.0	2.0	2.2	2.0	2.6	3.0
Agriculture, fisheries, and forestry	1.3	1.3	1.3	1.0	1.1	1.1
Industry and construction	2.5	2.5	3.8	4.1	6.9	9.1
Trade, transport, and communications	7.9	7.3	7.4	6.9	8.8	8.7
Education, health, science, and arts	-8.3	-14.6	-3.2	-1.1	-6.4	32.0
Other 2/	3.2	4.4	4.1	4.4	6.5	5.6
(In percent of total nonstate employment)						
Agriculture, fisheries, and forestry	76.7	76.2	75.5	74.8	73.6	72.2
Industry and construction	9.2	9.3	9.4	9.6	10.0	10.6
Trade, transport, and communications	8.5	8.9	9.3	9.8	10.4	11.0
Education, health, science, and arts	0.7	0.6	0.5	0.5	0.5	0.6
Other 3/	5.0	5.1	5.2	5.3	5.5	5.7

Sources: General Statistical Office, Central Institute for Economic Management, and Ministry of Labour, Invalids and Social Affairs (MOLISA); and staff estimates.

1/ Beginning in 1999, employment data are as reported in the *Status of Labour - Employment in Vietnam* (MOLISA).

2/ Includes mining and quarrying and electricity, gas, and water supply.

3/ Includes unclassified workers.

4/ Employment outside central and local government and state-owned enterprises.

Table 12. Vietnam: Employment in the State Sector, 1997-2002

	1997	1998	1999	2000	2001	2002
(In thousands of persons)						
Total employment	3,267	3,383	3,433	3,501	3,604	3,610
Agriculture and forestry	257	243	222	226	225	227
Industry and construction	1,146	1,210	1,242	1,262	1,309	1,291
Industry	807	842	865	863	880	878
Construction	338	368	377	399	429	420
Trade, transport, and communications	402	400	389	391	391	392
Trade	205	201	187	191	190	192
Transport and communications	197	199	202	200	201	200
Education, health, science, and arts	1,016	1,070	1,100	1,126	1,195	1,205
Education	777	818	849	889	936	941
Science	32	37	33	34	33	34
Culture, arts, and sport	33	35	35	36	36	37
Public health	173	180	183	167	190	193
Other	447	460	480	497	484	489
(In percent of total state sector employment)						
Agriculture and forestry	7.9	7.2	6.5	6.4	6.2	6.3
Industry and construction	35.1	35.8	36.2	36.1	36.3	35.8
Trade, transport, and communications	12.3	11.8	11.3	11.2	10.8	10.9
Education, health, science, and arts	31.1	31.6	32.0	32.2	33.2	33.4
Other	13.7	13.6	14.0	14.2	13.4	13.5
(Annual percentage change)						
Total employment	4.1	3.6	1.5	2.0	2.9	0.2
Agriculture and forestry	3.6	-5.4	-8.6	1.6	-0.4	0.9
Industry and construction	5.9	5.6	2.6	1.6	3.7	-1.4
Trade, transport, and communications	-3.6	-0.5	-2.8	0.5	-0.1	0.3
Education, health, science, and arts	4.4	5.4	2.8	2.4	6.1	0.8
Other	6.8	3.0	4.4	3.4	-2.4	0.9
(In thousands of dong per month)						
Average nominal wage 1/	642	697	729	850	954	999
Industry	841	898	947	1,063	1,203	1,288
Construction	738	807	794	861	961	1,015
Agriculture	480	514	564	680	590	633
Transportation	1,132	1,304	1,258	1,525	1,667	1,718
Trade	688	742	768	884	962	1,013
Education	405	451	501	615	725	736
Science	555	673	585	693	778	802
Culture, arts, and sports	453	540	520	607	718	779
Public health	440	480	508	623	725	741
State management	435	449	458	584	681	716
Financial intermediation	...	...	1,142	1,454	1,804	1,828
(Annual percentage change)						
Average nominal wage growth	18.2	8.6	4.6	16.5	12.3	4.7
Industry	18.7	6.8	5.5	12.3	13.2	7.0
Construction	29.0	9.3	-1.6	8.4	11.7	5.6
Agriculture	13.8	7.2	9.7	20.6	-13.3	7.3
Transportation	11.1	15.2	-3.5	21.2	9.3	3.0
Trade	18.2	7.9	3.5	15.1	8.8	5.3
Science	9.8	21.4	-13.1	18.4	12.3	3.0
Education	23.3	11.3	11.1	22.8	17.9	1.4
Culture, arts, and sports	13.3	19.2	-3.7	16.8	18.3	8.5
Public health	21.2	9.2	5.8	22.5	16.5	2.2
State management	14.6	3.2	2.0	27.6	16.6	5.1
Financial intermediation 2/	...	...	...	...	...	...
Average real wage growth 2/	13.5	8.1	0.3	18.4	12.8	0.7
Industry	14.0	6.4	1.1	14.1	13.6	2.9
Construction	23.9	8.8	-5.7	10.1	12.1	1.5
Agriculture	9.3	6.7	5.2	22.5	-12.9	3.2
Transportation	6.7	14.8	-7.5	23.2	9.7	-0.9
Trade	13.6	7.4	-0.7	16.9	9.2	1.2
Education	18.4	10.8	6.5	24.7	18.4	-2.5
Science	5.5	20.9	-16.6	20.3	12.8	-1.0
Culture, arts, and sports	8.8	18.7	-7.7	18.6	18.8	4.3
Public health	16.4	8.8	1.5	24.5	17.0	-1.8
State management	10.1	2.8	-2.2	29.6	17.1	1.1
Financial intermediation	...	...	...	...	...	...
Consumer price inflation	4.1	0.4	4.3	-1.6	-0.4	4.0

Sources: General Statistical Office (GSO); and staff estimates.

1/ Cash income, including payments in kind, bonus payments, and social security contributions.

2/ Nominal wage growth deflated by consumer price inflation.

Table 13. Vietnam: Summary of General Government Budgetary Operations, 1997-2003 1/

	1997	1998	1999	2000	2001	2002	2003 Budget
(In trillions of dong)							
Total Revenue and grants	65.4	73.0	78.5	90.7	103.9	119.0	123.7
Oil revenues	...	14.6	18.5	28.5	35.7	35.4	...
Nonoil revenue	...	56.2	57.6	60.2	66.2	81.6	...
Tax revenue	...	46.0	49.0	50.7	53.6	69.0	...
Nontax revenue	...	10.2	8.7	9.5	10.6	12.6	11.8
Grants	2.6	2.1	2.4	2.0	2.0	2.0	2.0
Total Expenditure	70.7	73.4	81.8	102.8	117.3	128.9	139.9
Current Expenditure	51.3	52.9	55.1	70.1	77.0	84.9	95.9
Wages and salaries	7.5	9.8	11.1	14.4	17.5	18.5	...
Interest payments	1.9	2.1	2.3	3.5	4.5	6.0	6.7
Other current expenditure	41.8	41.1	41.7	52.2	55.1	60.4	...
Capital Expenditure	19.5	20.5	26.7	32.6	40.2	44.0	44.0
Fiscal Balance	-5.4	-0.5	-3.3	-12.0	-13.4	-9.9	-16.2
Financing	5.4	0.5	3.3	12.0	13.4	9.9	16.2
Domestic (net) 2/	5.2	-2.8	-1.5	5.7	8.6	4.6	3.6
Foreign (net)	0.2	3.3	4.8	6.3	4.8	5.3	12.6
(In percent of GDP)							
Total Revenue and grants	20.8	20.2	19.8	21.1	22.7	22.9	21.6
Oil revenues	...	4.1	4.7	6.6	7.8	6.8	...
Nonoil revenue	...	15.6	14.5	14.0	14.4	15.7	...
Tax revenue	...	12.8	12.3	11.8	12.1	13.3	...
Nontax revenue	...	2.8	2.2	2.2	2.3	2.4	2.1
Grants	0.8	0.6	0.6	0.5	0.4	0.4	0.3
Total Expenditure	22.6	20.4	20.6	23.9	25.6	24.8	24.5
Current Expenditure	16.3	14.7	13.9	16.3	16.8	16.3	16.8
Wages and salaries	2.4	2.7	2.8	3.4	3.8	3.5	...
Interest payments	0.6	0.6	0.6	0.8	1.0	1.2	1.2
Other current expenditure	13.3	11.4	10.5	12.1	12.0	11.6	...
Capital Expenditure	6.2	5.7	6.7	7.6	8.8	8.5	7.7
Fiscal Balance	-1.7	-0.1	-0.8	-2.8	-2.9	-1.9	-2.8
Financing	1.7	0.1	0.8	2.8	2.9	1.9	2.8
Domestic (net) 2/	1.7	-0.8	-0.4	1.3	1.9	0.9	0.6
Foreign (net)	0.1	0.9	1.2	1.5	1.0	1.0	2.2
(In trillions of dong, unless otherwise indicated)							
Memorandum Items:							
Expenditure managed by units 3/	4.8	3.6	4.8	6.3	8.9	8.5	12.9
(in percent of GDP)	1.5	1.0	1.2	1.5	1.9	1.6	2.3
Total poverty reducing expenditures 4/	...	...	20.4	23.4	27.5	31.7	36.7
(in percent of GDP)	...	...	5.1	5.4	6.0	6.1	6.4

Source: Ministry of Finance; and staff estimates.

1/ Cash basis.

2/ Domestic financing is derived as a residual and includes a statistical discrepancy.

3/ Self-financed expenditures undertaken by government administrative units, which are excluded from the above budget presentation.

4/ Staff estimate based on (i) current expenditure on education, training, health, and family planning and (ii) capital expenditure on education, training, health, and poverty-related projects in the agriculture, transportation, electricity, and water sectors.

Table 14. Vietnam: Government Revenues, 1997-2003

	1997	1998	1999	2000	2001	2002	2003 Budget
(In trillions of dong)							
Total revenue and grants	65.4	73.0	78.5	90.7	103.9	119.0	123.7
Tax revenue	49.7	55.7	60.3	65.4	75.9	89.4	96.4
Corporate income tax 1/	11.6	13.1	14.5	22.2	25.8	28.5	30.4
Individual income tax	1.5	1.8	1.9	1.8	2.1	2.3	2.6
Capital user charge 2/	1.5	1.7	1.5	1.6	1.7	0.0	0.0
Land and housing tax	0.3	0.3	0.3	0.4	0.3	0.3	0.3
License tax	0.4	0.3	0.4	0.4	0.4	0.4	0.7
Tax on the transfer of properties	1.0	1.0	1.0	0.9	1.2	1.3	1.4
Tax on land use right	0.3	0.4	0.3	0.2	0.3	0.3	0.4
Value added tax (VAT) 3/	11.8	11.8	17.2	17.1	19.3	26.0	28.7
Excises	4.6	5.6	4.5	5.3	6.2	7.1	8.5
Slaughter tax	0.1	0.0	0.0	0.0	0.0	0.0	0.0
Agricultural tax	1.7	2.0	2.0	1.8	0.8	0.8	0.1
Import and export taxes	13.5	14.9	14.4	13.4	17.5	21.9	23.1
Other taxes on trade	0.0	1.5	1.0	0.1	0.1	0.2	0.2
Other taxes	1.4	1.4	1.2	0.2	0.2	0.2	0.1
Nontax revenue	13.1	15.2	15.8	23.3	26.0	27.6	25.3
Fees and charges	3.9	4.1	3.6	4.9	5.1	5.9	6.9
Rental of land	0.5	0.5	0.6	0.6	0.6	0.6	0.5
Income from natural resources	3.4	3.3	4.6	7.5	8.4	8.3	7.7
Net profit after tax	2.4	2.1	2.9	6.7	7.5	7.3	6.6
Capital revenues	0.8	0.8	0.8	0.8	1.0	1.1	0.8
Other	2.1	4.3	3.4	2.8	3.4	4.4	2.9
Grants	2.6	2.1	2.4	2.0	2.0	2.0	2.0
(In percent of GDP)							
Total revenue and grants	20.8	20.2	19.8	21.1	22.7	22.9	21.6
Tax revenue	15.8	15.4	15.2	15.2	16.6	17.2	16.9
Corporate income tax 1/	3.7	3.6	3.7	5.2	5.6	5.5	5.3
Individual income tax	0.5	0.5	0.5	0.4	0.4	0.4	0.4
Capital user charge	0.5	0.5	0.4	0.4	0.4	0.0	0.0
Land and housing tax	0.1	0.1	0.1	0.1	0.1	0.1	0.0
License tax	0.1	0.1	0.1	0.1	0.1	0.1	0.1
Tax on the transfer of properties	0.3	0.3	0.3	0.2	0.3	0.3	0.2
Tax on land use right	0.1	0.1	0.1	0.0	0.1	0.1	0.1
VAT 3/	3.8	3.3	4.3	4.0	4.2	5.0	5.0
Excises	1.5	1.5	1.1	1.2	1.4	1.4	1.5
Slaughter tax	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Agricultural tax	0.5	0.5	0.5	0.4	0.2	0.1	0.0
Import and export taxes	4.3	4.1	3.6	3.1	3.8	4.2	4.0
Other taxes on trade	0.0	0.4	0.2	0.0	0.0	0.0	0.0
Other taxes	0.4	0.4	0.3	0.0	0.0	0.0	0.0
Nontax revenue	4.2	4.2	4.0	5.4	5.7	5.3	4.4
Fees and charges	1.2	1.1	0.9	1.1	1.1	1.1	1.2
Rental of land	0.1	0.2	0.1	0.1	0.1	0.1	0.1
Income from natural resources	1.1	0.9	1.1	1.7	1.8	1.6	1.3
Net profit after tax	0.8	0.6	0.7	1.6	1.6	1.4	1.1
Capital revenues	0.3	0.2	0.2	0.2	0.2	0.2	0.1
Other	0.7	1.2	0.9	0.6	0.7	0.9	0.5
Grants	0.8	0.6	0.6	0.5	0.4	0.4	0.3

Sources: Ministry of Finance, Budget Department; and staff estimates.

1/ Profit tax prior to 1999.

2/ Abolished in late 2001.

3/ Turnover tax prior to 1999.

Table 15. Vietnam: Government Expenditures, 1997-2003

	1997	1998	1999	2000	2001	2002	2003 Budget 1/
(In trillions of dong)							
Total expenditure (cash basis)	77.6	78.8	88.9	112.6	122.3	135.4	148.4
Total current expenditure (cash basis)	51.3	52.9	55.1	70.1	77.0	84.9	95.9
General administrative services	7.1	6.7	6.8	8.1	8.7	9.1	7.5
Economic services	4.5	4.8	4.8	5.8	6.3	7.8	7.9
Social services	23.7	24.4	25.6	30.7	37.4	39.6	41.4
Education	7.2	7.7	8.0	9.9	12.0	13.8	15.0
Health	3.0	3.1	3.1	3.5	4.2	4.6	4.9
Social subsidies	9.2	8.7	9.0	10.7	13.4	12.5	12.6
Other	4.3	5.0	5.5	6.6	7.7	8.7	9.0
Other noninterest expenditure 2/	14.0	14.8	15.7	22.0	20.2	22.5	32.4
Interest payments (paid)	1.9	2.1	2.3	3.5	4.5	6.0	6.7
Capital expenditure and onlending	26.4	25.9	33.8	42.5	45.2	50.5	52.5
Capital expenditure	19.5	20.5	26.7	32.6	40.2	44.0	44.0
Onlending	6.9	5.4	7.1	9.9	5.0	6.4	8.5
(In percent of GDP)							
Total expenditure (cash basis)	24.8	21.9	22.4	26.2	26.7	26.0	25.9
Total current expenditure (cash basis)	16.3	14.7	13.9	16.3	16.8	16.3	16.8
General administrative services	2.3	1.9	1.7	1.9	1.9	1.7	1.3
Economic services	1.4	1.3	1.2	1.3	1.4	1.5	1.4
Social services	7.6	6.8	6.4	7.1	8.2	7.6	7.2
Education	2.3	2.1	2.0	2.3	2.6	2.7	2.6
Health	1.0	0.8	0.8	0.8	0.9	0.9	0.8
Social subsidies	2.9	2.4	2.3	2.5	2.9	2.4	2.2
Other	1.4	1.4	1.4	1.5	1.7	1.7	1.6
Other noninterest expenditure 2/	4.5	4.1	3.9	5.1	4.4	4.3	5.7
Interest payments (paid)	0.6	0.6	0.6	0.8	1.0	1.2	1.2
Capital expenditure and onlending	8.4	7.2	8.5	9.9	9.9	9.7	9.2
Capital expenditure	6.2	5.7	6.7	7.6	8.8	8.5	7.7
Onlending	2.2	1.5	1.8	2.3	1.1	1.2	1.5

Sources: Ministry of Finance, Budget Department; and staff estimates.

1/ Excludes current and capital costs of state-owned enterprise and banking sector reforms.

2/ Includes defense expenditures.

Table 16. Vietnam: Treasury Bill and Bond Issues, 1997-2003 1/
(In billions of dong, unless otherwise indicated)

Auction date	Treasury Bills (one-year)			Treasury Bonds (two-year)			Treasury Bonds (five-year)	
	Amount sold	Average yield	End-month outstanding stock	Amount sold	Average yield	End-month outstanding stock	Amount sold	End-month outstanding stock
1997 December	3	9.0	2,978	132	12.0	4,842	...	...
1998 December	369	11.6	3,721	272	13.0	6,418	...	...
1999 December	0	...	3,012	0	...	6,009	0	4,496
2000 December	21	5.4	4,581	1,020	6.4	10,244	0	5,096
2001 January	85	5.4	4,341	0	6.8	10,244	0	5,096
February	230	5.4	4,221	0	6.8	9,657	0	5,096
March	505	5.5	3,749	1,019	6.8	9,310	0	5,096
April	210	5.5	3,344	61	6.8	8,498	0	5,096
May	445	5.5	3,589	0	6.8	8,157	0	5,096
June	305	5.5	3,808	884	6.8	9,041	0	5,096
July	40	5.5	3,183	1,200	6.8	10,241	165	5,261
August	180	5.7	2,838	1,731	6.8	11,972	180	5,441
September	310	5.8	2,958	1,112	6.8	13,084	255	5,696
October	550	5.7	2,968	1,542	7.0	14,626	120	5,816
November	440	5.3	3,321	1,324	7.0	15,950	233	6,049
December	600	5.2	3,900	775	7.0	16,725	190	6,239
2002 January	830	5.7	4,645	113	7.1	16,838	0	6,239
February	88	5.8	4,503	198	7.1	17,036	0	6,239
March	40	5.8	4,038	768	7.1	17,804	0	6,239
April	40	5.9	3,868	610	7.4	17,913	0	6,239
May	540	6.0	3,963	445	7.4	17,776	0	6,239
June	1,300	6.0	4,958	267	7.4	17,627	0	6,239
July	1,290	6.0	6,208	864	7.4	18,286	0	6,239
August	1,100	5.9	7,128	601	7.4	18,887	0	6,239
September	950	6.1	7,768	781	7.4	18,601	0	6,239
October	430	5.8	7,648	1,192	7.4	17,937	0	6,239
November	951	5.8	8,159	2,013	7.4	18,520	0	6,239
December	851	6.0	8,410	1,833	7.4	19,333	0	6,239
2003 January	700	6.0	8,280	121	8.2	19,454	0	6,239
February	410	6.2	8,602	165	8.2	19,619	0	6,239
Memorandum items:		<u>1997</u>	<u>1998</u>	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	
Total stock of debt (in trillions of dong, eop)		7,820	10,139	13,517	19,921	26,864	33,982	
(in percent of GDP)		2.5	2.8	3.4	4.6	5.9	6.5	

Sources: State Bank of Vietnam and Ministry of Finance; and staff estimates.

1/ In addition to these amounts, D 246 billion in shorter-term maturity bills were auctioned during 1995-96. Treasury bills of varying maturities have also been placed directly with the public through the Ministry of Finance's retail network.

Table 17. Vietnam: Monetary Survey, 1998-2003 1/

	1998	1999	2000	2001	2002				2003
					Mar.	June	Sept.	Dec.		Mar.
(In trillions of dong, end of period)									
Net foreign assets	31.2	61.2	95.7	117.6	116.8	120.7	120.3	117.4	127.4
Foreign assets	47.0	77.7	112.7	135.9	135.4	139.3	139.3	135.9	144.4
Foreign liabilities	-15.8	-16.5	-17.0	-18.3	-18.5	-18.5	-19.0	-18.4	-17.0
Net domestic assets	71.2	99.2	127.2	162.2	173.0	182.0	194.7	211.7	218.3
Domestic credit (net)	81.0	115.7	155.2	191.2	201.4	211.4	224.6	239.9	246.5
Net claims on government 2/	8.4	3.0	-0.5	2.1	2.8	2.2	5.3	8.8	2.6
Credit to the economy	72.7	112.7	155.7	189.1	198.6	209.2	219.3	231.1	243.9
Claims on state enterprises	38.1	54.3	69.9	79.7	81.7	84.1	86.9	89.5	92.3
Claims on other sectors	34.6	58.4	85.8	109.4	116.9	125.1	132.4	141.6	151.6
Other items, net	-9.8	-16.5	-28.0	-29.0	-28.4	-29.4	-29.9	-28.2	-28.3
Broad money	102.4	160.4	222.9	279.8	289.9	302.7	315.0	329.1	345.7
of which: total deposits	75.5	119.1	170.7	213.5	215.2	232.3	245.8	254.9	266.8
Dong liquidity	78.3	116.5	152.5	191.1	202.7	209.2	219.3	235.5	251.6
Currency outside banks	27.0	41.3	52.2	66.3	74.7	70.4	69.2	74.3	78.9
Deposits	51.4	75.3	100.3	124.8	128.0	138.8	150.1	161.3	172.7
Demand deposits	20.2	28.2	41.9	48.6	43.2	46.7	49.7	53.7	51.6
Other deposits	31.1	47.1	58.4	76.2	84.8	92.1	100.4	107.5	121.1
Foreign currency deposits	24.1	43.8	70.4	88.7	87.2	93.5	95.7	93.6	94.1
(in millions of U.S. dollars)	1,733	3,126	4,854	5,884	5,745	6,124	6,251	6,093	6,106
(in percent of total liquidity)	23.5	27.3	31.6	31.7	30.1	30.9	30.4	28.4	27.2
(Annual percentage change)									
Credit to the economy	16.4	...	38.1	21.4	20.9	21.5	21.5	22.2	22.9
Claims on enterprises	22.9	...	28.7	14.1	11.8	11.9	13.0	12.2	13.0
Claims on other sectors	10.0	...	46.9	27.5	28.2	28.9	27.7	29.5	29.8
Broad money (M2)	25.6	...	39.0	25.5	21.6	21.6	19.6	17.6	19.3
of which: total deposits	33.6	...	43.3	25.1	17.2	21.0	21.7	19.4	24.0
Dong liquidity	24.6	...	30.8	25.3	26.2	27.0	25.5	23.2	24.1
Currency outside banks	7.4	...	26.6	27.0	36.1	23.4	12.7	12.0	5.6
Deposits	36.0	...	33.2	24.4	21.0	28.9	32.4	29.2	34.9
Foreign currency deposits	28.8	...	60.5	26.0	12.0	10.9	8.0	5.6	8.0
(Change in percent of beginning of year broad money)									
Net foreign assets	12.5	...	21.5	9.8	1.5	3.0	2.8	-0.1	3.0
Net domestic assets	13.1	...	17.5	15.7	4.0	7.2	11.9	17.7	2.0
Net claims on government	4.9	...	-2.1	1.2	0.3	0.1	1.2	2.4	-1.9
Credit to the economy	12.6	...	26.8	15.0	3.7	7.5	11.2	15.0	3.9
Velocity 3/	3.5	2.5	1.9	1.6	1.8	1.7	1.6	1.6	1.7
Money multiplier 4/	2.6	2.8	3.1	3.3	3.2	3.5	3.6	3.4	3.1
Currency to dong deposits (in percent)	52.5	54.8	52.1	53.1	58.3	50.7	46.1	46.1	45.7
Currency to total deposits (in percent)	35.7	34.6	30.6	31.1	34.7	30.3	28.2	29.1	29.6

Sources: State Bank of Vietnam; and staff estimates.

1/ Data for 1998 comprise four state-owned commercial banks and 24 nonstate-owned banks. Data from 1999 onwards comprise six state-owned commercial banks and 83 non-state credit institutions.

2/ Includes recapitalization of state-owned commercial banks (SOCBs).

3/ Velocity is measured as the ratio of GDP to end-of-period broad money (M2).

4/ Money multiplier is measured as the ratio of broad money (M2) to reserve money.

Table 18. Vietnam: Balance Sheet of the State Bank of Vietnam, 1998-2003

	1998	1999	2000	2001	2002				2003
					Mar.	June	Sept.	Dec.	Mar.
(In trillions of dong, end of period)									
Net foreign assets	22.1	40.8	43.9	48.5	52.8	51.4	51.6	56.6	77.0
Foreign assets	29.1	48.0	50.9	56.6	60.7	59.5	60.3	65.2	85.4
Foreign liabilities	-7.0	-7.2	-7.1	-8.1	-7.8	-8.1	-8.7	-8.6	-8.4
Net domestic assets	16.6	17.4	28.9	36.4	37.3	36.0	35.4	38.9	33.2
Net domestic credit	12.8	10.5	18.6	25.8	27.0	26.4	26.4	30.3	25.5
Net claims on government	6.3	0.2	4.3	8.0	8.6	7.7	7.5	11.1	6.8
Claims on banks	6.5	10.3	14.2	17.8	18.4	18.7	18.9	19.2	18.7
Claims on enterprises and nonbank financial institutions	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other items, net	3.7	6.9	10.3	10.6	10.3	9.6	9.0	8.6	7.6
Reserve money	38.7	58.2	72.8	84.9	90.1	87.4	87.0	95.5	110.1
Currency in circulation	28.3	44.9	54.3	69.1	78.7	73.4	73.1	77.3	83.3
Bank deposits	10.4	13.3	18.4	15.8	11.4	14.1	13.9	18.2	26.8
Other deposits	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
(Annual percentage change)									
Net foreign assets	14.1	84.4	7.5	10.6	23.1	15.1	5.8	16.7	49.6
Net domestic assets	1.0	5.2	65.9	26.1	19.8	29.2	18.4	6.8	-7.9
Net domestic credit	17.1	-18.1	76.5	39.1	33.2	43.4	36.1	17.4	-3.3
Net claims on government	56.6	-96.8	2,061.0	85.8	76.9	182.8	157.8	38.5	-10.9
Claims on banks	-3.8	58.2	38.0	24.9	19.3	19.3	14.5	7.9	-0.2
Reserve money	8.1	50.5	25.0	16.7	21.7	20.5	10.6	12.4	25.9
Currency in circulation	7.6	59.0	20.9	27.2	37.1	22.8	14.3	11.9	13.6
Bank deposits	11.6	27.5	38.8	-14.2	-31.6	10.1	-5.6	14.9	90.4
(Change in percent of beginning of year reserve money)									
Net foreign assets	7.6	48.3	5.3	6.4	13.4	9.3	3.6	9.5	29.2
Net domestic assets	0.5	2.2	19.7	10.4	8.3	11.2	7.0	2.9	-3.2
Net domestic credit	5.2	-6.0	13.8	10.0	9.1	11.0	8.9	5.3	-1.0
Of which: Net claims on government	6.4	-15.8	7.1	5.1	5.1	6.8	5.9	3.6	-1.0
Memorandum item:									
Gross official reserves (in millions of U.S. dollars) 1/	1,765	2,711	3,030	3,387	3,449	3,498	3,561	3,692	4,814
(in weeks of next year's imports) 2/	6.8	8.1	8.9	8.3	7.0	7.1	7.2	7.5	8.9

Sources: State Bank of Vietnam; and staff estimates.

1/ Excludes foreign currency counterpart of government foreign currency deposits at the State Bank of Vietnam.

2/ Imports of goods and nonfactor services.

Table 19. Vietnam: Consolidated Balance Sheet of Deposit Money Banks, 1998-2003 1/

	1998	1999	2000	2001	2002				2003
					Mar.	June	Sept.	Dec.	Mar.
(In trillions of dong, end of period)									
Net foreign assets	9.1	20.4	51.8	69.1	64.0	69.3	68.7	60.8	50.5
Foreign assets	17.8	29.7	61.7	79.4	74.7	79.8	79.0	70.7	59.1
Foreign liabilities	-8.7	-9.3	-9.9	-10.3	-10.7	-10.5	-10.3	-9.9	-8.6
Net domestic assets	66.4	98.7	118.8	144.3	151.2	163.0	177.1	194.1	216.3
Net domestic credit from the commercial banks	74.7	115.5	150.9	183.2	192.8	203.7	217.1	228.8	239.7
Net credit to government	2.1	2.8	-4.8	-5.9	-5.8	-5.4	-2.2	-2.3	-4.2
Credit to the economy	72.7	112.7	155.7	189.1	198.6	209.2	219.3	231.1	243.9
State enterprises	38.1	54.3	69.9	79.7	81.7	84.1	86.9	89.5	92.3
Other sectors	34.6	58.4	85.8	109.4	116.9	125.1	132.4	141.6	151.6
<i>Of which: claims on nonbank financial institutions</i>	0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Banks' reserves	9.9	16.9	20.4	18.4	14.8	16.6	17.0	20.2	31.0
Credit from State Bank of Vietnam	-4.2	-11.6	-14.4	-17.8	-18.5	-19.1	-19.0	-19.3	-19.7
Capital and reserves	-11.6	-19.8	-22.4	-24.3	-24.7	-24.9	-26.7	-30.9	-31.6
Other items, net	-2.4	-2.2	-15.6	-15.2	-13.2	-13.4	-11.3	-4.7	-2.9
Deposits	75.4	119.1	170.7	213.5	215.2	232.3	245.8	254.9	266.8
Dong deposits	51.4	75.3	100.3	124.8	128.0	138.8	150.1	161.3	172.7
Demand deposits	20.2	28.2	41.9	48.6	43.2	46.7	49.7	53.7	51.6
Time deposits	31.1	47.1	58.4	76.2	84.8	92.1	100.4	107.5	121.1
Foreign currency deposits	24.1	43.8	70.4	88.7	87.2	93.5	95.7	93.6	94.1
(Annual percentage change)									
Credit to the economy	16.7	...	38.1	21.4	20.9	21.5	21.5	22.2	22.9
State enterprises	22.9	...	28.7	14.1	11.8	11.9	13.0	12.2	13.0
Other sectors	10.6	...	46.9	27.5	28.2	28.9	27.7	29.5	29.8
Credit from State Bank of Vietnam	-23.6	...	24.6	23.1	17.6	20.0	13.4	8.4	6.6
Total deposits	34.1	...	43.3	25.1	17.2	21.0	21.7	19.4	24.0
Dong deposits	36.7	...	33.2	24.4	21.0	28.9	32.4	29.2	34.9
Demand deposits	-64.0	...	48.3	16.1	12.0	16.6	19.1	10.5	10.3
Time deposits	-17.2	...	24.1	30.4	26.1	36.2	40.2	41.2	31.5
Foreign currency deposits	28.8	...	60.5	26.0	12.0	10.9	8.0	5.6	8.0
Memorandum items:									
Foreign currency deposits (in millions of U.S. dollars)	1,733	3,126	4,854	5,884	5,745	6,124	6,251	6,093	6,106
(annual percentage change) 2/	28.8	...	60.5	26.0	12.0	10.9	8.0	5.6	8.0
(in percent of total deposits)	31.9	36.8	41.2	41.5	40.5	40.2	38.9	36.7	35.3
(change in millions of U.S. dollars) 3/	213	...	1,727	1,030	-138	240	367	209	14

Sources: State Bank of Vietnam; and staff estimates.

1/ Data for 1998 comprise four state-owned commercial banks and 24 nonstate-owned banks. Data from 1999 onwards comprise six state-owned commercial banks and 83 non-state credit institutions

2/ Twelve-month percentage changes.

3/ Change since the beginning of the year.

Table 20. Vietnam: Distribution of Credit, 1998-2003 1/ 2/

	1998	1999	2000	2001	2002	2003 Mar.
(In billions of dong, end of period)						
Total credit to the economy 3/	72,597	112,730	155,720	189,103	231,078	243,938
To state enterprises	38,076	54,335	69,918	79,745	89,500	92,300
To other sectors	34,521	58,395	85,802	109,358	141,578	151,638
Credit extended by state-owned commercial banks 4/	59,087	76,559	114,193	143,355	175,489	185,231
To state enterprises	34,218	...	61,300	72,800	81,600	84,200
To other sectors	24,869	...	52,893	70,555	93,889	101,031
Credit extended by other banks 5/	13,510	36,171	41,527	45,748	55,589	58,706
To state enterprises	3,858	...	8,700	6,900	7,900	8,100
To other sectors	9,652	...	32,827	38,848	47,689	50,606
Total dong loans 3/	53,641	83,848	123,418	152,567	184,829	192,361
To state enterprises	24,410	...	54,800	67,600	66,500	67,800
To other sectors	29,231	...	68,618	84,967	118,329	124,561
Credit extended by state-owned commercial banks 4/	41,363	63,510	97,773	124,160	149,877	155,717
To state enterprises	22,884	...	47,800	57,800	61,500	62,700
To other sectors	18,479	...	49,973	66,360	88,377	93,017
Credit extended by other banks 5/	9,136	20,338	25,645	28,408	34,952	36,645
To state enterprises	1,526	...	7,000	4,600	5,000	5,100
To other sectors	7,610	...	18,645	23,808	29,952	31,545
Total foreign currency loans 3/	18,956	28,882	32,302	36,535	46,249	51,576
To state enterprises	13,666	...	15,100	17,300	23,000	24,500
To other sectors	5,290	...	17,202	19,235	23,249	27,076
Credit extended by state-owned commercial banks 4/	17,724	13,049	16,420	19,195	25,612	29,515
To state enterprises	11,334	...	13,400	15,000	20,100	21,500
To other sectors	6,390	...	3,020	4,195	5,512	8,015
Credit extended by other banks 5/	4,374	15,834	15,882	17,340	20,637	22,062
To state enterprises	2,332	...	1,700	2,300	2,900	3,000
To other sectors	2,042	...	14,182	15,040	17,737	19,062
(In percent of total credit to the economy)						
Total credit to the economy 3/	100.0	100.0	100.0	100.0	100.0	100.0
To state enterprises	52.4	48.2	44.9	42.2	38.7	37.8
To other sectors	47.6	51.8	55.1	57.8	61.3	62.2
Credit extended by state-owned commercial banks 4/	81.4	67.9	73.3	75.8	75.9	75.9
To state enterprises	47.1	...	39.4	38.5	35.3	34.5
To other sectors	34.3	...	34.0	37.3	40.6	41.4
Credit extended by other banks 5/	18.6	32.1	26.7	24.2	24.1	24.1
To state enterprises	5.3	...	5.6	3.6	3.4	3.3
To other sectors	13.3	...	21.1	20.5	20.6	20.7
Total dong loans	73.9	74.4	79.3	80.7	80.0	78.9
Credit extended by state-owned commercial banks 4/	57.0	56.3	62.8	65.7	64.9	63.8
Credit extended by other banks 5/	12.6	18.0	16.5	15.0	15.1	15.0
Total foreign currency loans	26.1	25.6	20.7	19.3	20.0	21.1
Credit extended by state-owned commercial banks 4/	24.4	11.6	10.5	10.2	11.1	12.1
Credit extended by other banks 5/	6.0	14.0	10.2	9.2	8.9	9.0
(In billions of dong, end of period)						
Total credit to the economy by sector						
Agriculture, fisheries, and forestry	...	29,535	41,577	...	...	...
Industry and construction	...	46,895	57,697	...	...	...
Industry	...	30,775	37,372	...	...	...
Construction	...	16,120	20,325	...	...	...
Trade, transportation, and communications	...	28,858	38,166	...	...	...
Trade	...	24,462	30,597	...	...	...
Transport, storage, and communications	...	4,396	7,569	...	...	...
Other services	...	7,440	18,280	...	...	...
(In percent of total credit to the economy)						
Agriculture, fisheries, and forestry	...	26.2	26.7	...	...	...
Industry and construction	...	41.6	37.1	...	...	...
Trade, transportation, and communications	...	25.6	24.5	...	...	...
Other services	...	6.6	11.7	...	...	...

Sources: State Bank of Vietnam; and staff estimates.

1/ Beginning in 1999, credit to the economy by sector of ownership are estimated rather than actual data.

2/ Data for 1998 comprise four state-owned commercial banks and 24 nonstate-owned banks. Data from 1999 onwards comprise six state-owned commercial banks and 83 non-state credit institutions.

3/ Excludes net credit to the government.

4/ Includes four large state-owned commercial banks.

5/ Includes two small state-owned commercial banks, joint-stock banks, joint-venture banks, branches of foreign banks, and the Central People's Credit Fund.

Table 21. Vietnam: Overdue Loans of Deposit Money Banks, 1998-2003 1/ 2/

	1998	1999	2000	2001	2002				2003
					Mar.	June	Sept.	Dec.	Mar.
(In billions of dong, end of period)									
Deposit money banks	8,697	11,915	15,111	16,072	16,343	16,324	16,502	16,305	16,692
Four largest state-owned commercial banks	6,471	7,813	10,902	12,002	12,504	12,712	12,969	12,672	13,078
Other banks	2,227	4,102	4,209	4,070	3,839	3,613	3,533	3,633	3,614
(In percent of total loans)									
Deposit money banks	12.0	13.8	9.7	8.5	8.2	7.8	7.5	7.1	6.8
Four largest state-owned commercial banks	11.0	10.8	10.0	8.8	8.6	8.4	8.2	7.6	7.4
Other banks	16.4	28.9	9.0	7.7	7.2	6.3	5.8	5.6	5.3
(In percent of total bank assets)									
Deposit money banks	6.8	7.5	5.4	4.7	4.8	4.4	4.3	4.1	3.9
Four largest state-owned commercial banks	6.2	5.8	5.4	4.9	5.1	4.8	4.7	4.4	4.3
Other banks	9.8	16.9	5.1	4.2	3.9	3.4	3.2	3.2	2.9
(In percent of total overdues)									
State-owned enterprises	34.7	...	...	...	...	...	...	...	...
Cooperatives	1.0	...	...	...	...	...	...	...	...
Joint-stock companies	46.7	...	...	...	...	...	...	...	...
Joint ventures	1.1	...	...	...	...	...	...	...	...
Private sector	16.6	...	...	...	...	...	...	...	...
(In percent of total loans to the sector)									
State-owned enterprises	7.9	...	...	...	...	...	...	...	...
Cooperatives	35.1	...	...	...	...	...	...	...	...
Joint-stock companies	36.7	...	...	...	...	...	...	...	...
Joint ventures	2.0	...	...	...	...	...	...	...	...
Private sector	7.7	...	...	...	...	...	...	...	...

Source: State Bank of Vietnam.

1/ Based on nonstandard classification of nonperforming loans, which tends to underestimate the actual amount of bad loans. Until 1999, includes the four largest state-owned commercial banks and 24 nonstate-owned banks. Beginning in 2000, based on the four largest state-owned commercial banks and 85 other credit institutions.

2/ Beginning June 1999, data on credit to the economy (including overdues) by sector of ownership no longer compiled by the State Bank of Vietnam in consolidated balance sheet of deposit money banks.

Table 22. Vietnam: Nominal and Real Interest Rates, 1998-2003
(In percent per year, end of period)

	1998	1999	2000	2001				2002				2003		
				Mar.	Jun.	Sep.	Dec.	Mar.	Jun.	Sep.	Dec.	Mar.	Apr.	May
Nominal interest rates														
Deposit rates 1/														
Demand deposits, enterprises	5.5	1.7	2.3	2.3	1.8	2.1	2.4	2.4	2.4	2.4	2.4	2.4	2.4	2.4
Savings deposits (three-month), households	9.7	4.0	4.3	5.1	4.9	5.5	5.9	6.2	6.6	6.8	7.0	7.2	7.2	7.2
Foreign currency demand deposits	2.4	2.3	1.9	1.9	1.8	1.2	1.2	1.2	1.2	1.2	1.2	1.2	1.2	1.2
Foreign currency deposits (six-month)	4.9	4.5	4.8	4.0	3.2	2.7	1.6	1.8	1.8	1.7	1.6	1.6	1.6	1.6
Lending rates 1/														
Working capital (short term)	14.7	11.7	9.8	9.8	9.2	9.3	8.8	8.8	9.6	9.9	9.9	9.9	9.9	9.9
Fixed capital (medium term)	15.2	11.7	10.4	11.7	10.3	10.3	9.9	9.9	10.7	11.2	10.8	10.9	10.9	10.9
Foreign currency loans	7.5	6.5	7.0	6.3	5.5	5.5	4.6	4.5	4.5	4.3	4.3	4.3	4.3	4.3
Real interest rates 2/														
Deposit rates														
Demand deposits, enterprises	-3.0	1.7	2.8	3.8	2.6	1.9	2.5	-0.1	-1.5	-1.8	-1.9	-1.3	-1.3	-1.2
Savings deposits (three-month), households	0.9	4.0	4.8	6.5	5.8	5.3	5.9	3.6	2.5	2.4	2.5	3.3	3.3	3.4
Foreign currency demand deposits	4.1	3.9	11.5	7.0	6.6	9.2	3.5	1.1	-0.1	-0.7	-1.7	-1.1	-1.4	-1.3
Foreign currency deposits (six-month)	6.6	6.2	14.7	9.2	8.1	10.8	3.9	1.7	0.4	-0.2	-1.4	-0.8	-1.1	-1.0
Lending rates														
Working capital (short term)	5.4	11.7	10.3	11.3	10.1	9.1	8.9	6.2	5.4	5.4	5.3	5.8	5.9	5.9
Working capital (short term; adjusted for core inflation)	9.0	8.7	7.4	7.7	7.2	7.9	9.1	11.4	12.6	12.6	9.8	6.8	5.9	5.0
Fixed capital (medium term)	5.9	11.7	10.9	13.2	11.2	10.0	9.9	7.2	6.5	6.6	6.1	6.8	6.8	6.9
Foreign currency loans	9.3	8.2	17.1	11.6	10.4	13.7	7.0	4.4	3.1	2.2	1.2	1.9	1.5	1.7
Memorandum items														
Interest rate spread 3/	5.0	7.7	5.5	4.7	4.3	3.8	3.0	2.7	3.0	3.1	2.9	2.7	2.7	2.7
Inflation 4/	8.8	-0.1	-0.5	-1.4	-0.8	0.2	0.0	2.5	4.0	4.3	4.4	3.8	3.8	3.7
Core inflation 4/	5.2	2.8	2.2	2.0	1.8	1.4	-0.3	-2.3	-2.7	-2.4	0.1	2.9	3.8	4.6
Exchange rate (+ depreciation) 5/	10.6	1.5	8.9	3.6	3.9	8.1	2.2	2.4	2.6	2.3	1.3	1.4	1.1	1.1

Sources: State Bank of Vietnam; and staff estimates.

1/ Average of four largest state-owned commercial banks.

2/ Measured with respect to nominal interest rates at the end of each quarter and average monthly inflation during that quarter using the Fisher formula.

Real interest rates on foreign currency deposits and loans are adjusted for exchange rate depreciation using the same formula.

3/ Difference between interest rates on working capital loans and households' three-month savings deposits.

4/ Average monthly inflation during preceding quarter; not seasonally adjusted.

5/ Average depreciation during preceding quarter, annualized.

Table 23. Vietnam: Exchange Rate Developments, 1997-2003

	1997	1998	1999	2000	2001	2002	2003 1/
	(Twelve-month average; 1990 = 100)						
Effective exchange rates							
Nominal	45.1	46.7	42.2	42.1	43.4	41.8	39.7
Real	134.7	145.5	136.0	132.0	133.1	132.3	127.0
	(Annual percentage change; - depreciation)						
Nominal	2.8	3.7	-9.7	-0.1	3.0	-3.7	-5.1
Real	2.8	8.0	-6.5	-2.9	0.8	-0.6	-4.0
	(In units indicated)						
Dong per U.S. dollar, end of period	12,292	13,890	14,028	14,514	15,084	15,404	15,517
Dong per U.S. dollar, 12-month average	11,692	13,301	13,944	14,170	14,806	15,207	15,463
Dong per SDR, end of period	16,585	19,558	19,254	18,910	18,957	20,941	21,386 2/
Dong per SDR, 12-month average	16,077	17,999	19,065	18,684	18,746	19,785	21,250 2/
	(Annual percentage change, - depreciation)						
Dong per U.S. dollar, end of period	-10.2	-13.0	-1.0	-3.5	-3.9	-2.1	-0.7
Dong per U.S. dollar, 12-month average	-6.0	-13.8	-4.8	-1.6	-4.5	-2.7	-1.7 3/
Dong per SDR, end of period	-4.4	-17.9	1.6	1.8	-0.2	-10.5	-2.1
Dong per SDR, 12-month average	-0.4	-12.0	-5.9	2.0	-0.3	-5.5	-7.4

Sources: Vietnamese authorities; and IMF, *Information Notice System*, and staff estimates.

1/ As of end July 2003, unless indicated otherwise.

2/ As of May 2003.

3/ For the period January to July 2003.

Table 24. Vietnam: Balance of Payments, 1997-2002
(In millions of U.S. dollars, unless otherwise indicated)

	1997	1998	1999	2000	2001	2002
Current account balance	-1,664	-1,067	1,285	642	670	-391
Excluding official transfers	-1,839	-1,239	1,154	506	520	-522
Trade balance	-1,315	-981	1,080	378	627	-875
Exports, f.o.b.	9,145	9,365	11,540	14,449	15,027	16,706
Imports, f.o.b.	10,460	10,346	10,460	14,071	14,400	17,581
Non-factor services (net)	-623	-539	-547	-615	-572	-648
Receipts	2,530	2,604	2,493	2,695	2,810	2,948
Payments	3,153	3,143	3,040	3,310	3,382	3,596
Investment income (net)	-611	-669	-429	-597	-635	-766
Receipts	136	133	142	185	160	167
Payments	747	802	571	782	795	933
Transfers (net)	885	1,122	1,181	1,476	1,250	1,898
Private	710	950	1,050	1,340	1,100	1,767
Official	175	172	131	136	150	131
Capital account balance	1,662	216	-334	-772	-307	1,801
Gross foreign direct investment (FDI) inflows	2,074	800	700	800	900	1,100
Equity	1,002	240	301	320	540	715
Loan disbursements	1,072	560	399	480	360	385
FDI loan repayments	174	372	603	601	819	414
Medium and long-term loans (net)	375	432	605	729	623	487
Disbursements	1,007	1,121	1,036	1,411	988	1,077
ODA loans	550	796	970	1,361	958	1,020
Commercial loans	457	326	66	50	30	56
Scheduled amortization 1/	632	690	431	682	365	590
Short term capital (net)	-612	-644	-1,036	-1,700	-1,011	628
Errors and omissions	-2	327	-183	246	-169	-946
Overall balance	-4	-524	768	115	194	464
Financing	4	524	-768	-115	-194	-464
Change in net foreign assets of the State Bank of Vietnam (-, increase)	-319	-15	-1,316	-115	-194	-464
Arrears and rescheduling 2/	323	126	548	-9,691	0	0
Debt relief 2/	0	413	0	9,691	0	0
Memorandum items:						
Gross official reserves, including gold	1,858	1,765	2,711	3,030	3,387	3,692
In weeks of next year's imports	7.2	6.8	8.1	8.9	8.3	7.5
Current account balance (in percent of GDP)	-6.2	-3.9	4.5	2.1	2.2	-1.1
Excluding official transfers	-6.9	-4.6	4.0	1.7	1.7	-1.5
Export value growth (annual percentage change)	24.6	2.4	23.2	25.2	4.0	11.2
Import value growth (annual percentage change)	-0.2	-1.1	1.1	34.5	2.3	22.1

Sources: Vietnamese authorities; and staff estimates.

1/ For 2002, including a debt buyback in which US\$ 273 million was paid for US\$500 million Russian debt at face value.

2/ London Club rescheduling was concluded in early 1998. Restructuring of the Russian debt was concluded in September 2000 on comparable term to the 1993 Paris Club rescheduling.

Table 25. Vietnam: Merchandise Exports by Commodity, 1997-2002

	1997	1998	1999	2000	2001	2002
(In millions of U.S. dollars, unless otherwise indicated)						
Total exports, f.o.b.	9,145	9,365	11,540	14,449	15,027	16,706
(annual percentage change)	24.6	2.4	23.2	25.2	4.0	11.2
(Excluding oil)	7,722	8,132	9,448	10,946	11,901	13,436
(annual percentage change)	28.9	5.3	16.2	15.9	8.7	12.9
Crude oil	1,423	1,232	2,092	3,503	3,126	3,270
Volume ('000 tons)	9,638	12,145	14,882	15,424	16,732	16,879
Unit value (US\$/ton)	148	101	141	227	187	194
Coal	111	102	96	94	113	156
Volume ('000 tons)	3,454	3,162	3,259	3,251	4,290	6,049
Unit value (US\$/ton)	32	32	29	29	26	26
Rubber	192	127	146	166	166	268
Volume ('000 tons)	195	191	263	273	308	449
Unit value (US\$/ton)	986	667	556	608	539	597
Rice	870	1,020	1,025	668	625	726
Volume ('000 tons)	3,553	3,730	4,508	3,477	3,729	3,241
Unit value (US\$/ton)	245	273	227	192	168	224
Coffee	498	594	585	501	391	322
Volume ('000 tons)	392	382	482	734	931	719
Unit value (US\$/ton)	1,271	1,554	1,213	683	420	449
Marine products (including frozen items)	782	858	974	1,478	1,778	2,023
Garments	1,503	1,450	1,746	1,892	1,975	2,752
Footwear	978	1,031	1,387	1,472	1,559	1,867
Handicrafts	63	64	137	146	235	331
Electronic goods and components	440	497	585	789	596	492
Other	2,491	1,990	2,767	3,740	3,773	3,849
(In percent of value of total exports)						
Crude oil	15.6	13.2	18.1	24.2	20.8	19.6
Coal	1.2	1.1	0.8	0.7	0.8	0.9
Rubber	2.1	1.4	1.3	1.1	1.1	1.6
Rice	9.5	10.9	8.9	4.6	4.2	4.3
Coffee	5.4	6.3	5.1	3.5	2.6	1.9
Marine products	8.6	9.2	8.4	10.2	11.8	12.1
Garments	16.4	15.5	15.1	13.1	13.1	16.5
Footwear	10.7	11.0	12.0	10.2	10.4	11.2
Handicrafts	0.7	0.7	1.2	1.0	1.6	2.0
Electronic goods and components	4.8	5.3	5.1	5.5	4.0	2.9
Other	27.2	21.3	24.0	25.9	25.1	23.0
(In percentage points of growth in the value of exports)						
Crude oil	1.1	-2.1	9.2	12.2	-2.6	1.0
Coal	-0.6	-0.1	-0.1	0.0	0.1	0.3
Rubber	0.4	-0.7	0.2	0.2	0.0	0.7
Rice	0.2	1.6	0.1	-3.1	-0.3	0.7
Coffee	2.2	1.1	-0.1	-0.7	-0.8	-0.5
Marine products	1.8	0.8	1.2	4.4	2.1	1.6
Garments	4.8	-0.6	3.2	1.3	0.6	5.2
Footwear	6.1	0.6	3.8	0.7	0.6	2.0
Handicrafts	-0.2	0.0	0.8	0.1	0.6	0.6
Electronic goods and components	...	0.6	0.9	1.8	-1.3	-0.7
Other	5.7	-5.5	8.3	8.4	0.2	0.5

Sources: Ministry of Trade and Customs Office; and staff estimates.

Table 26. Vietnam: Merchandise Imports by Commodity, 1997-2002

	1997	1998	1999	2000	2001	2002
(In millions of U.S. dollars, unless otherwise indicated)						
Total imports, c.i.f.	11,622	11,527	11,742	15,200	16,162	19,733
(annual percentage change)	-0.2	-0.8	1.9	29.4	6.3	22.1
Petroleum products (gasoline, diesel, etc.)	1,123	832	1,047	2,070	1,828	2,017
Volume ('000 tons)	6,852	6,852	7,425	8,747	8,998	9,966
Unit value (US\$/ton)	164	121	141	237	203	202
Fertilizer	440	474	458	508	404	477
Volume ('000 tons)	2,526	3,448	3,702	3,971	3,189	3,824
Unit value (US\$/ton)	174	137	124	128	127	125
Insecticide	24	16	133	143	110	143
Volume ('000 tons)	22	4	...	...	...	...
Unit value (US\$/ton)	5,168	3,793	...	...	...	...
Steel and iron	510	535	626	824	965	1,334
Volume ('000 tons)	1,401	1,786	2,254	2,845	3,938	4,951
Unit value (US\$/ton)	364	299	278	290	245	269
Cement	52	2	...	...	...	...
Volume ('000 tons)	878	50	...	...	...	...
Unit value (US\$/ton)	59	42	...	...	...	...
Motorcycles	233	351	386	787	668	422
Volume ('000 unit)	247	384	509	1,807	2,503	1,480
Unit value (US\$/unit)	944	915	758	435	267	285
Motor cars and trucks	138	130	98	129	197	261
Volume ('000 units)	14.0	17.2	11.3	16.4	28.3	29.1
Unit value (US\$/unit)	9,855	7,572	8,736	7,905	6,982	8,969
Wheat flour	42	62	32	16	...	...
Volume ('000 tons)	152	271	159	87	...	...
Unit value (US\$/ton)	275	228	198	189	...	...
Textile yarn (fibers)	159	188	194	237	247	314
Volume ('000 tons)	77	130	160	176	211	263
Unit value (US\$/ton)	2,071	1,445	1,213	1,348	1,172	1,195
Cotton	110	68	91	101	132	97
Leather and garment material	1,173	821	1,096	1,422	1,590	1,711
Cigarette material (including tobacco)	80	111	88	108	...	...
Machinery and equipment (including aircraft)	1,777	235	258	307	2,741	3,793
Other	4,285	4,983	5,591	4,186	4,316	5,317
(In percent of value of total imports)						
Petroleum products	9.7	7.2	8.9	13.6	11.3	10.2
Fertilizer	3.8	4.1	3.9	3.3	2.5	2.4
Insecticide	0.2	0.1	1.1	0.9	0.7	0.7
Steel and iron	4.4	4.6	5.3	5.4	6.0	6.8
Cement	0.4	0.0	...	...	...	...
Motorcycles	2.0	3.0	3.3	5.2	4.1	2.1
Motor cars and trucks	1.2	1.1	0.8	0.9	1.2	1.3
Wheat flour	0.4	0.5	0.3	0.1	...	...
Textile yarn	1.4	1.6	1.7	1.6	1.5	1.6
Cotton	0.9	0.6	0.8	0.7	0.8	0.5
Leather and garment material	10.1	7.1	9.3	9.4	9.8	8.7
Cigarette material	0.7	1.0	0.8	0.7	...	...
Machinery and equipment	15.3	2.0	2.2	2.0	17.0	19.2
Other	36.9	43.2	47.6	27.5	26.7	26.9

Sources: Ministry of Trade and Customs Office; and staff estimates.

Table 27. Vietnam: Direction of Trade, 1997-2002
(In percent of total exports or imports)

	1997	1998	1999	2000	2001	2002 Prel. Est.
Exports						
Industrial countries or regions	68.5	66.5	64.5	64.1	64.1	67.9
Japan	18.2	16.2	15.5	17.8	16.7	14.6
Hong Kong SAR	4.7	3.4	2.0	2.2	2.1	2.0
Korea	4.5	2.4	2.8	2.4	2.7	2.8
Singapore	13.2	7.9	7.6	6.1	6.9	5.8
France	2.6	3.2	3.1	2.6	3.1	2.6
Germany	4.5	5.9	5.7	5.0	4.8	4.3
Italy	1.3	1.5	1.4	1.5	1.6	1.6
Netherlands	2.9	3.2	3.0	2.7	2.4	2.4
Switzerland	3.6	3.0	2.3	1.1	0.6	0.4
United Kingdom	2.9	3.6	3.6	3.3	3.4	3.4
Other Europe (industrialized) 1/	3.5	5.0	5.2	4.6	4.8	4.6
United States	3.1	5.0	4.4	5.1	7.1	14.5
Canada	0.7	0.9	0.8	0.7	0.7	0.8
Australia	2.5	5.0	7.1	8.8	6.9	8.0
New Zealand	0.2	0.3	0.2	0.1	0.1	0.1
Developing countries	31.5	33.5	35.5	35.9	35.9	32.1
China (mainland)	5.2	4.7	6.5	10.6	9.4	9.0
Indonesia	0.5	3.4	3.6	1.7	1.8	2.0
Malaysia	4.5	2.4	2.8	2.4	2.7	2.8
Philippines	2.6	4.3	3.4	3.3	2.5	1.9
Russia	1.4	1.3	1.0	0.8	1.3	1.1
Taiwan POC	8.9	7.2	5.9	5.2	5.4	4.9
Thailand	2.6	3.2	2.7	2.6	2.1	1.4
Other	1.2	0.8	0.8	1.0	1.0	1.1
Imports						
Industrial countries or regions	67.2	64.6	62.3	59.5	59.8	55.6
Japan	13.0	12.9	13.8	14.3	13.6	12.7
Hong Kong SAR	5.2	4.8	4.3	3.7	3.3	4.1
Korea	13.5	12.4	12.7	10.9	11.7	11.6
Singapore	18.4	17.1	16.0	16.8	15.4	12.8
France	4.8	3.3	2.6	2.1	1.9	1.5
Germany	2.4	3.1	2.3	1.8	2.5	2.8
Italy	0.9	0.8	0.8	1.1	1.2	1.4
Netherlands	0.4	0.5	0.4	0.5	0.7	0.6
Switzerland	1.2	0.8	0.9	0.6	0.6	0.7
United Kingdom	0.9	0.8	0.9	0.9	1.1	0.8
Other Europe (industrialized) 1/	2.1	2.4	2.2	1.8	2.1	2.2
United States	2.2	2.8	2.7	2.3	2.6	2.3
Canada	0.3	0.4	0.4	0.2	0.4	0.3
Australia	1.7	2.2	1.8	1.9	1.8	1.5
New Zealand	0.2	0.4	0.5	0.4	0.9	0.3
Developing countries	32.8	35.4	37.7	40.5	40.2	44.4
China (mainland)	3.5	4.5	5.7	8.7	10.0	10.9
Indonesia	1.7	2.2	2.4	2.2	1.8	1.8
Malaysia	2.0	2.2	2.6	2.4	2.9	3.5
Philippines	0.3	0.6	0.4	0.4	0.3	0.5
Russia	1.4	1.9	2.1	1.5	2.3	2.5
Taiwan POC	12.8	12.0	13.3	11.7	12.5	12.9
Thailand	5.0	5.9	4.8	5.1	4.9	4.8
Other	6.2	6.2	6.3	8.5	0.1	0.3
Memorandum items:						
European Union						
Exports	16.1	22.4	21.8	19.6	20.0	18.9
Imports	11.0	11.2	10.5	7.6	8.9	8.8
ASEAN 2/						
Exports	23.8	22.0	21.6	16.7	16.5	14.2
Imports	27.8	29.1	27.9	27.3	25.8	23.8

Sources: General Statistics Office of Vietnam;

1/ Defined as Austria, Belgium, Denmark, Finland, Greece, Iceland, Ireland, Luxembourg, Norway, Portugal, Spain, and Sweden.

2/ Including Lao PDR and Myanmar beginning in 1997 and Cambodia in 1999.

Table 28. Vietnam: Commitments of Foreign Direct Investment, 1997-2002 1/

	1997	1998	1999	2000	2001	2002
(In millions of U.S. dollars)						
Industry	1,951	902	880	721	2,116	1,143
Heavy industries	1,055	640	499	361	1,450	448
Export processing zones	232	0	0	0	26	19
Light industries	471	205	170	305	582	611
Food	193	57	211	55	58	65
Oil and gas	51	1,358	43	1,257	0	32
Construction	762	163	233	61	52	103
Transportation and communications	1,061	305	141	8	239	20
Real estate	614	910	166	23	14	180
Hotels and tourism	182	786	46	23	10	173
Office property and apartments	431	125	120	0	3	7
Agriculture, forestry, and fisheries	353	169	141	133	212	168
Services	252	298	245	86	230	64
Total	5,044	4,106	1,848	2,289	2,863	1,710
(In percent of total)						
Industry	38.7	22.0	47.6	31.5	73.9	66.9
Heavy industries	20.9	15.6	27.0	15.8	50.6	26.2
Export processing zones	4.6	0.0	0.0	0.0	0.9	1.1
Light industries	9.3	5.0	9.2	13.3	20.3	35.8
Food	3.8	1.4	11.4	2.4	2.0	3.8
Oil and gas	1.0	33.1	2.3	54.9	0.0	1.9
Construction	15.1	4.0	12.6	2.7	1.8	6.0
Transportation and communications	21.0	7.4	7.6	0.3	8.4	1.1
Real estate	12.2	22.2	9.0	1.0	0.5	10.5
Hotels and tourism	3.6	19.1	2.5	1.0	0.4	10.1
Office property and apartments	8.6	3.0	6.5	0.0	0.1	0.4
Agriculture, forestry, and fisheries	7.0	4.1	7.6	5.8	7.4	9.8
Services	5.0	7.3	13.2	3.8	8.0	3.7
Total	100.0	100.0	100.0	100.0	100.0	100.0

Sources: Ministry of Planning and Investment (MPI) and State Bank of Vietnam; and staff estimates.

1/ As reported by MPI. Includes investments by domestic joint venture partners.

Table 29. Vietnam: Disbursements of Foreign Direct Investment, 1997-2002 1/

	1997	1998	1999	2000	2002
(In millions of U.S. dollars)					
Industry	1,293	845	912	950	1,217
Heavy industries	689	438	459	513	641
Export processing zones	88	43	58	15	19
Light industries	327	199	207	310	379
Food	189	165	187	113	178
Oil and gas	261	327	345	339	1,034
Construction	441	228	186	232	97
Transportation and communications	99	101	104	71	140
Real estate	482	513	394	300	26
Hotels and tourism	227	274	165	150	17
Office property and apartments	255	239	229	150	9
Agriculture, forestry, and fisheries	221	129	219	188	176
Services	53	65	93	101	128
Total disbursements	2,849	2,208	2,253	2,181	2,818
Total disbursements: staff estimates 2/	2,074	800	700	800	1,100
(In percent of total)					
Industry	45.4	38.3	40.5	43.6	43.2
Heavy industries	24.2	19.8	20.4	23.5	22.7
Export processing zones	3.1	1.9	2.6	0.7	0.7
Light industries	11.5	9.0	9.2	14.2	13.5
Food	6.6	7.5	8.3	5.2	6.3
Oil and gas	9.2	14.8	15.3	15.5	36.7
Construction	15.5	10.3	8.3	10.7	3.4
Transportation and communications	3.5	4.6	4.6	3.2	5.0
Real estate	16.9	23.2	17.5	13.8	0.9
Hotels and tourism	8.0	12.4	7.3	6.9	0.6
Office property and apartments	9.0	10.8	10.2	6.9	0.3
Agriculture, forestry, and fisheries	7.8	5.8	9.7	8.6	6.2
Services	1.8	3.0	4.1	4.6	4.5
Total	100.0	100.0	100.0	100.0	100.0
Memorandum item:					
Total disbursements (in percent of GDP)	10.6	8.1	7.9	7.2	8.3

Sources: Ministry of Planning and Investment (MPI); and staff estimates.

1/ Data on disbursements classified by industry as reported by MPI. Calculated as total reported disbursements less equity contributions of domestic partners. Thus, data include domestic borrowing by the joint venture. Data are subject to extensive revision.

2/ Staff estimates are based on reported foreign equity inflows plus foreign borrowings by joint ventures, as reported by the State Bank of Vietnam. For 1998-2000, also based on other indicators of investment inflows.

Table 30. Vietnam: Foreign Direct Investment by Country of Origin, 1996-2002 1/

	Commitments				Disbursements				
	1996	1997	1998	1999	1998	1999	2000	2001	2002
(In millions of U.S. dollars)									
Singapore	3,055	555	883	175	354	342	288	218	228
Taiwan POC	742	295	264	207	190	222	349	311	210
Korea	701	701	30	188	222	223	140	124	137
Japan	841	841	248	74	455	435	427	322	529
British Virgin Islands	228	228	39	48	113	84	120	114	91
Hong Kong SAR	242	242	233	96	165	179	191	81	155
Malaysia	181	181	16	179	78	28	45	58	64
Thailand	316	316	9	22	52	35	33	57	71
United States	273	273	125	138	63	50	61	83	70
France	934	934	40	248	103	124	70	120	128
Australia	7	7	13	87	24	35	19	12	23
Other	470	470	2,208	387	389	497	439	843	1,112
Total	7,990	5,044	4,106	1,848	2,208	2,253	2,181	2,344	2,818
(In percent of total)									
Singapore	38.2	11.0	21.5	9.5	16.0	15.2	13.2	9.3	8.1
Taiwan POC	9.3	5.9	6.4	11.2	8.6	9.9	16.0	13.3	7.4
Korea	8.8	13.9	0.7	10.2	10.1	9.9	6.4	5.3	4.9
Japan	10.5	16.7	6.0	4.0	20.6	19.3	19.6	13.8	18.8
British Virgin Islands	2.9	4.5	0.9	2.6	5.1	3.7	5.5	4.9	3.2
Hong Kong SAR	3.0	4.8	5.7	5.2	7.5	7.9	8.8	3.4	5.5
Malaysia	2.3	3.6	0.4	9.7	3.5	1.3	2.1	2.5	2.3
Thailand	4.0	6.3	0.2	1.2	2.4	1.5	1.5	2.4	2.5
United States	3.4	5.4	3.0	7.5	2.8	2.2	2.8	3.6	2.5
France	11.7	18.5	1.0	13.4	4.7	5.5	3.2	5.1	4.5
Australia	0.1	0.1	0.3	4.7	1.1	1.5	0.9	0.5	0.8
Other	5.9	9.3	53.8	21.0	17.6	22.0	20.1	36.0	39.5
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0

Sources: Ministry of Planning and Investment (MPI); and staff estimates.

1/ Data as reported by MPI. See Table 29 for qualifications.

Table 31. Vietnam: External Debt and Debt Service Obligations, 1997-2002 1/

	1997	1998	1999	2000	2001	2002 Est.
(In millions of U.S. dollars, end of period)						
Total convertible currency debt stock	9,578	9,847	9,756	12,027	12,874	13,083
Medium- and long-term debt stock	9,185	9,173	9,199	11,499	12,759	12,921
Public and Public guaranteed (convertible debt only)	5,562	5,508	5,978	8,619	9,959	10,207
<i>Of which:</i>						
Public enterprises 2/	885	974	787	539	1,112	931
IMF	452	391	355	312	371	363
Private sector	3,623	3,665	3,221	2,879	2,800	2,714
FDI-related	3,244	3,248	2,884	2,537	2,629	2,639
Other	379	418	337	343	171	75
Short-term debt stock	393	674	557	528	114	162
Total external debt service	1,495	1,663	1,798	1,804	1,889	1,475
Principal	1,054	1,219	1,373	1,308	1,462	1,145
Interest	440	444	425	496	426	329
Public debt	918	854	757	774	784	615
Principal	656	603	510	471	509	373
Interest	262	250	247	303	275	241
Private debt	576	809	1,041	1,029	1,105	860
Principal	398	615	863	837	953	772
Interest	178	194	178	193	152	88
(In percent of GDP)						
Total debt service	5.6	6.1	6.3	5.9	6.1	4.3
<i>Of which: public</i>	3.4	3.1	2.7	2.6	2.5	1.8
Total convertible currency debt stock	35.7	36.3	34.2	39.7	41.6	38.3
<i>Of which: public</i>	20.8	20.3	21.0	28.4	32.2	29.9
(In percent of exports of goods and nonfactor services)						
Total debt service	12.8	13.9	12.8	10.5	10.6	7.5
<i>Of which: public</i>	7.9	7.1	5.4	4.5	4.4	3.1
Total convertible currency debt stock	82.0	82.3	69.5	70.2	72.2	66.6
<i>Of which: public</i>	47.6	46.0	42.6	50.3	55.8	51.9
Memorandum item:						
Nonconvertible Russian debt 3/	10,385	10,574	10,574	0	0	0

Sources: Vietnamese authorities; and staff estimates.

1/ Convertible currency debt only.

2/ Includes loans to state-owned enterprises not classified elsewhere.

3/ In millions of transferable rubles. Restructuring of nonconvertible Russian debt was concluded in September 2000.

Table 32. Vietnam: Summary of Normal Tariff Schedule, 2000-2003 1/

Rates in 2000			Rates in 2001			Rates in 2002			Rates in 2003		
Bands	Number of lines:		Bands	Number of lines:		Bands	Number of lines:		Bands	Number of lines:	
	number	percent		number	percent		number	percent		number	percent
0	2,029	32.0	0	2,070	32.4	0	2,076	31.8	0	2,076	31.8
1	173	2.7	1	170	2.7	1	159	2.4	1	159	2.4
3	381	6.0	3	349	5.5	3	360	5.5	3	360	5.5
5	679	10.7	5	677	10.6	5	701	10.8	5	701	10.8
7	7	0.1	7	3	0.0	7	4	0.1	7	4	0.1
10	519	8.2	10	550	8.6	10	576	8.8	10	576	8.8
12	2	0.0	12	3	0.0	12	3	0.0	12	3	0.0
15	79	1.2	15	68	1.1	15	79	1.2	15	79	1.2
18	1	0.0	20	502	7.9	18	2	0.0	18	2	0.0
20	516	8.1	25	5	0.1	20	512	7.9	20	512	7.9
25	3	0.0	30	663	10.4	25	3	0.0	25	3	0.0
30	633	10.0	35	1	0.0	30	679	10.4	30	679	10.4
40	678	10.7	40	671	10.5	35	1	0.0	35	1	0.0
45	2	0.0	45	2	0.0	40	683	10.5	40	683	10.5
50	569	9.0	50	575	9.0	45	2	0.0	45	2	0.0
55	1	0.0	60	11	0.2	50	602	9.2	50	602	9.2
60	12	0.2	80	2	0.0	60	5	0.1	60	5	0.1
80	9	0.1	100	50	0.8	70	0	0.0	70	0	0.0
100	48	0.8	120	8	0.1	80	2	0.0	80	2	0.0
						100	62	1.0	100	62	1.0
						120	8	0.1	120	8	0.1
Total	6,341	100.0	6,380	100.0		6,519	100.0		6,519	100.0	

1/ The normal tariff rates are termed *preferential* in the official schedule. There are also nonpreferential tariff rates about 50 percent higher than these rates, which are applied to imports from countries without a trade agreement (or in the process of negotiating one).

Table 33. Vietnam: Common Effective Preferential Tariff (CEPT) Rates, 2000-2003 1/

Rates in 2000			Rates in 2001			Rates in 2002			Rates in 2003		
Bands	Number of lines:		Bands	Number of lines:		Bands	Number of lines:		Bands	Number of lines:	
	number	percent		number	percent		number	percent		number	percent
0	1,690	39.9	0	1,763	35.4	0	2,002	36.0	0	3,257	32.1
1	155	3.7	1	171	3.4	1	177	3.2	1	239	2.4
3	335	7.9	3	333	6.7	3	355	6.4	2	607	6.0
4	0	0.0	5	962	19.3	5	1,092	19.6	5	3,372	33.2
5	783	18.5	7	3	0.1	7	3	0.1	10	89	0.9
7	10	0.2	10	676	13.6	10	610	11.0	15	125	1.2
10	573	13.5	12	1	0.0	15	171	3.1	20	2,454	24.2
15	129	3.0	15	133	2.7	20	1,158	20.8	...	...	...
20	107	2.5	20	944	18.9	...	...	...	...	...	...
25	13	0.3	...	...	...	...	...	...	...	...	...
30	72	1.7	...	...	...	...	...	...	...	...	...
35	280	6.6	...	...	...	...	...	...	...	...	...
40	82	1.9	...	...	...	...	...	...	...	...	...
45	1	0.0	...	...	...	...	...	...	...	...	...
50	3	0.1	...	...	...	...	...	...	...	...	...
Total	4,233	100.0		4,986	100.0		5,568	100.0		10,143	100.0

Source: Ministry of Finance.

1/ Under Vietnam's current ASEAN Free Trade Area (AFTA) agreement.

VIETNAM: SUMMARY OF THE TAX SYSTEM (AS OF JUNE 2003)

NATURE OF TAX	TAX EXEMPTION AND REDUCTION	RATE														
1. Personal Income Tax and Enterprise Income Tax																
1.1. Personal Income Tax																
<i>a. Regular income (in cash or kind)</i>																
<ul style="list-style-type: none"> - salary and wage - allowance - overtime - 13th month salary and bonus - non-salary income that is not subject to Enterprise Income Tax - housing benefits in-kind, which are taxed at the rate of 15% of gross salary or actual rental paid by the employer, whichever is lower. 	<ul style="list-style-type: none"> - Individual investors are exempted for 5-10 years from income tax applicable to income earned by contributing capital and purchasing shares in business. 	<p>For Vietnamese citizens:</p> <table border="1"> <thead> <tr> <th align="center"><u>Monthly income (VND million)</u></th> <th align="center"><u>Marginal rate</u></th> </tr> </thead> <tbody> <tr> <td align="center">0-3</td> <td align="center">0%</td> </tr> <tr> <td align="center">3-6</td> <td align="center">10%</td> </tr> <tr> <td align="center">6-9</td> <td align="center">20%</td> </tr> <tr> <td align="center">9-12</td> <td align="center">30%</td> </tr> <tr> <td align="center">12-15</td> <td align="center">40%</td> </tr> <tr> <td align="center">15 or more</td> <td align="center">50%</td> </tr> </tbody> </table>	<u>Monthly income (VND million)</u>	<u>Marginal rate</u>	0-3	0%	3-6	10%	6-9	20%	9-12	30%	12-15	40%	15 or more	50%
<u>Monthly income (VND million)</u>	<u>Marginal rate</u>															
0-3	0%															
3-6	10%															
6-9	20%															
9-12	30%															
12-15	40%															
15 or more	50%															
<p>Non-taxable income includes:</p> <ul style="list-style-type: none"> - interest and dividend income - night-shift allowance, excluding third-shift salary - allowance for work and jobs under noxious or dangerous conditions - responsibility allowance - area allowance, attraction allowance and special allowance for working in remote areas; areas with bad climate, new economic areas, offshore islands, border areas - certain other allowances - business travel expenses - social benefits, insurance compensations, and severance allowances - meal allowance, except allowance paid in cash - insurance compensation - severance allowance and retrenchment allowance paid in accordance with the Labor Code - one-time relocation allowance for foreigner residing in Vietnam - rewards for technical innovation/invention - social and health insurance contributions deducted from salaries and wages - income of non-residents who stay in Vietnam for less than 30 days 	<p>For resident foreigners and Vietnamese citizens on mission, working overseas, or working in software services/production.</p> <table border="1"> <thead> <tr> <th align="center"><u>Monthly income (VND million)</u></th> <th align="center"><u>Marginal rate</u></th> </tr> </thead> <tbody> <tr> <td align="center">0-8</td> <td align="center">0%</td> </tr> <tr> <td align="center">8-20</td> <td align="center">10%</td> </tr> <tr> <td align="center">20-50</td> <td align="center">20%</td> </tr> <tr> <td align="center">50-80</td> <td align="center">30%</td> </tr> <tr> <td align="center">80-120</td> <td align="center">40%</td> </tr> <tr> <td align="center">120 or more</td> <td align="center">50%</td> </tr> </tbody> </table>	<u>Monthly income (VND million)</u>	<u>Marginal rate</u>	0-8	0%	8-20	10%	20-50	20%	50-80	30%	80-120	40%	120 or more	50%	<p>For non-resident foreigners, who stay in Vietnam from 30 to 182 days: flat rate of 25% on Vietnam-sourced income.</p>
<u>Monthly income (VND million)</u>	<u>Marginal rate</u>															
0-8	0%															
8-20	10%															
20-50	20%															
50-80	30%															
80-120	40%															
120 or more	50%															

VIETNAM: SUMMARY OF THE TAX SYSTEM (AS OF JUNE 2003)

NATURE OF TAX	TAX EXEMPTION AND REDUCTION	RATE														
<ul style="list-style-type: none"> - certain benefits in-kind paid by the employer: education expense paid to the education provider, air fare for home leave of foreigners, tuition for expatriates' children paid directly to the schools in Vietnam. 																
<i>b. Irregular income</i>																
<ul style="list-style-type: none"> - gifts in kind from overseas - fees or commissions from technology transfers - fees or commissions from copyrights - income from non-professional industrial and construction designing, certain services, performance of artistic and sports performance, income from certain scientific activities - lottery wins 		<p>For Vietnamese citizens and resident foreigners, the following marginal rates apply on irregular income:</p> <table border="1" data-bbox="1524 483 1852 721"> <thead> <tr> <th data-bbox="1524 483 1745 505">Income (VND million)</th> <th data-bbox="1755 483 1852 505">Scale rate</th> </tr> </thead> <tbody> <tr> <td data-bbox="1619 521 1650 542">0-2</td> <td data-bbox="1782 521 1814 542">0%</td> </tr> <tr> <td data-bbox="1619 558 1650 579">2-4</td> <td data-bbox="1782 558 1814 579">5%</td> </tr> <tr> <td data-bbox="1608 596 1661 617">4-10</td> <td data-bbox="1782 596 1824 617">10%</td> </tr> <tr> <td data-bbox="1608 633 1661 654">10-20</td> <td data-bbox="1782 633 1824 654">15%</td> </tr> <tr> <td data-bbox="1608 670 1661 691">20-30</td> <td data-bbox="1782 670 1824 691">20%</td> </tr> <tr> <td data-bbox="1583 708 1686 729">30 or more</td> <td data-bbox="1782 708 1824 729">30%</td> </tr> </tbody> </table> <p data-bbox="1377 753 1940 805">Gifts from abroad: flat 5% (nil for gifts valued less than or equal to VND 2 million)</p> <p data-bbox="1377 821 1919 873">Lottery wins: flat 10% (nil for wins less than or equal to VND 12.5 million at a time)</p> <p data-bbox="1377 889 1919 941">Income technology transfer: flat 5% (nil for the income less than or equal to VND 2 million).</p>	Income (VND million)	Scale rate	0-2	0%	2-4	5%	4-10	10%	10-20	15%	20-30	20%	30 or more	30%
Income (VND million)	Scale rate															
0-2	0%															
2-4	5%															
4-10	10%															
10-20	15%															
20-30	20%															
30 or more	30%															
<p data-bbox="191 943 554 964"><i>c. Supplementary income tax (surtax)</i></p> <p data-bbox="191 980 789 1032">Levied on monthly income in excess of VND 15 million net of the income tax calculated at the above marginal rates.</p>	<p data-bbox="831 980 1335 1057">Non-citizens in Vietnam and Vietnamese citizens on mission, working overseas or working in software services/production are exempted from the surtax.</p>	<p data-bbox="1377 980 1940 1057">30% of net income, i.e. after the tax calculated based on the above marginal rates, in excess of VND 15 million per month.</p>														
1.2. Enterprise Income Tax																
<i>1.2.1. Enterprise Income Tax (general legislation)</i>																
<p data-bbox="191 1148 789 1289">Taxable income is defined as total revenue, less total deductible expenses of the enterprise, plus any other income such as rents, proceeds from the transfer or liquidation of assets, profits earned from business operations abroad, and profits from financial activities.</p>	<p data-bbox="831 1148 1335 1167">Tax exemption and reduction are as follows:</p> <ul style="list-style-type: none"> <li data-bbox="831 1183 1335 1325">a. newly founded domestic businesses in production, trading and service are entitled to EIT exemption and reduction, the extent of which vary according to the line of business and investment location <li data-bbox="831 1341 1335 1489">b. domestic businesses which invest in establishing a new line of production, expanding production scale, renovating technology or improving ecological environment are exempt from EIT in respect of incremental income thereof for the first year and entitled to EIT reduction in respect 	<ul style="list-style-type: none"> <li data-bbox="1377 1148 1940 1252">- Standard rate: 32%, applicable to domestic businesses and foreign organizations and individuals carrying on business in Vietnam not under the Law on Foreign Investment in Vietnam <li data-bbox="1377 1268 1703 1289">- Oil sector standard rate: 50% <li data-bbox="1377 1305 1940 1489">- For mining, forestry, fishery, metallurgy, mechanical manufacture, basic chemicals, fertilizer, pesticides, construction materials (excluding cement), construction (excluding survey, design, consulting and supervision), and transportation (excluding airway and taxi transport), a 25% rate will be applied until December 31, 2001 														
<p data-bbox="191 1338 470 1359">Deductible expenses include:</p> <ul style="list-style-type: none"> <li data-bbox="191 1375 506 1396">- depreciation of fixed assets <li data-bbox="191 1412 789 1455">- costs of raw and other materials and energy for the manufacture of products or for the provision of services <li data-bbox="191 1471 537 1492">- wages, salaries and allowances 																

VIETNAM: SUMMARY OF THE TAX SYSTEM (AS OF JUNE 2003)

NATURE OF TAX	TAX EXEMPTION AND REDUCTION	RATE
<ul style="list-style-type: none"> - costs of research and development - costs of outsourced services, including water and electricity; acquisition of or the right to use any technical documents, patents, licenses, or trademarks; insurance; management and consulting services - expenditures for female workers, social and health insurance and trade union expenses - interest payments to credit institutions and other lenders, subject to certain limits - provisions for devaluation of inventory, securities and bad debts - severance and retrenchment payments - expenses incurred for employee safety - costs for sale and distribution of goods and provision of services, including expenses for storage, packaging, transportation, warranty, and so forth - advertising, promotion, entertainment and other expenses, subject to caps of 5% or 7% of total amount of the above expenses depending on the line of business - taxes (other than enterprise income tax or profit remittance tax) - land rental related to business activities - head office administration expenses allocated to the business establishment in Vietnam (applicable to foreign economic organizations' branches in Vietnam) 	<ul style="list-style-type: none"> of incremental income thereof for the subsequent two years c. domestic businesses relocated to mountainous or island areas or areas under difficult conditions are exempt from EIT for the first three years from profit making d. domestic businesses are exempt from EIT in respect of (i) income earned from scientific research; (ii) provision of technical services for agriculture; (iii) production by disabled workers; and (iv) vocational training for the disabled, ethnic minorities, and children living under particularly difficult conditions e. certain small business households f. foreign-invested enterprises and foreign parties to a BCC may be entitled to EIT incentives under the Law on Foreign Investment in Vietnam (refer to section 1.2.2) g. special EIT incentives are offered to overseas Vietnamese investing in Vietnam and foreign investors transferring their contributed capital to Vietnamese enterprises (refer to section 1.2.2) h. EIT reduction is offered to domestic businesses and foreign-invested enterprises in manufacturing, construction and transportation sectors that employ a considerable number of female workers. The tax reduction is equivalent to certain actual payments to female workers i. EIT refund for foreign investors which reinvest profits earned from investment in Vietnam (refer to section 1.2.2). 	<ul style="list-style-type: none"> - For other resource-exploitation sectors, a EIT rate from 32% to 50% rate will be decided by the Ministry of Finance (MoF) or foreign investment license issuing authority with the agreement of the MoF - Preferential rates (25%, 20% and 15%) are offered, depending on encouraged lines of business and investment locations as stipulated by the Government - EIT rate for foreign-invested enterprises and foreign parties to a BCC (refer to section 1.2.2) - BOT, BTO and BT (build and transfer) projects: 10%.
<p>Any loss brought forward from previous years may be offset against profits of a year in calculating taxable income for EIT purposes. (The maximum period for the loss carry-forward is five years from the loss-making year)</p>	<p>Tax exemptions or reductions are available for establishment of production; "build, transfer, and operate" (BTO) contracts; investment projects in regions with difficult economic and social conditions; and for the following investment projects, subject to special agreement with the government:</p>	
<p>Expenses unrelated to turnover and taxable income, fines and penalties, payments unsupported by proper or legitimate documents, and expenditures covered by other sources are not deductible for Enterprise Income Tax purposes.</p>	<ul style="list-style-type: none"> a. forestation and forest planting b. infrastructure and public transport c. education, health care, or culture d. export production and trading 	

VIETNAM: SUMMARY OF THE TAX SYSTEM (AS OF JUNE 2003)

NATURE OF TAX	TAX EXEMPTION AND REDUCTION	RATE
	<ul style="list-style-type: none"> e. agricultural and maritime development f. science, business management, or technology transfer g. production renovation or relocation h. developing prioritized lines of business. 	
	<p>According to the Law on Encouraging Domestic Investment, domestic investors may be entitled to special tax incentives other than those outlined in the Law on Enterprise Income Tax. For example, investors putting money in production of export products and exporting businesses may receive an additional reduction as follows:</p>	
	<ul style="list-style-type: none"> a. 50% reduction in the first year if the export is a new product, or when the export goes to a new market b. 50% reduction in the year when export turnover exceeds that the previous year's c. 20% reduction in the year when export earnings exceed 50% of turnover, or in the third consecutive year of stable export markets d. additional 25% reduction of the tax on income from exports in the above-listed cases if projects in regions with difficult economic and social conditions. 	

1.2.2. Enterprise Income Tax on Foreign Invested Enterprises and Foreign Parties to a Business Cooperation Contracts (BCC)

As per 1.2.1.

(A BCC is a business contract between a foreign investor and domestic partner that does not involve setting up a legal entity in Vietnam.)

<p>Tax holiday is granted to foreign-invested enterprises and foreign party to a BCC (excluding projects of hotel, office and apartment for lease, with exception of projects located in investment encouragement areas or projects which transfer their assets to the government of Vietnam on a non-recourse basis, projects in banking, finance, insurance, trading, and service sectors, with exception of projects outside EPZs or industrial parks or high-tech parks). The tax holiday takes the form of a complete exemption from EIT for a certain period beginning immediately after profits are made, followed in turn by a period where tax is charged at a half of the agreed preferential rate.</p>	<ul style="list-style-type: none"> - Standard rate: 25% - Petroleum: 50% - Preferential rates of 20%, 15%, and 10% are available for inbound investment upon the granting of an investment license - The following rates are available from 10 to 15 years upon commencement of business operation: <ul style="list-style-type: none"> a. 20% for 10 years for projects meeting one of the following criteria: <ul style="list-style-type: none"> - service enterprises in an IZ - non-oil projects and projects that do not fall into categories (b) and (c) below.
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VIETNAM: SUMMARY OF THE TAX SYSTEM (AS OF JUNE 2003)

NATURE OF TAX	TAX EXEMPTION AND REDUCTION	RATE
	<p>The duration of tax holiday is contingent on the tax rate applicable to the project as follows:</p> <p>a. projects subject to the 20% rate is exempt from EIT for one year, followed by two years of 50% EIT reduction, i.e. at the rate of 10%</p> <p>b. projects subject to 15% rate is exempt from EIT for two years, followed three years of 50% EIT reduction, i.e. at the rate of 7.5%. (Manufacturing projects in an industrial park which export less than 50% of their products and fail to meet two of the criteria outlined in the first, second and fifth bullet points of category b of the next column are entitled to the exemption from EIT for two years only, no EIT reduction applies to this type of project)</p> <p>c. projects subject to 10% rate is exempt from EIT for four years, followed by four years of 50% EIT reduction, i.e. at the rate of 5%, except projects exempt from the Enterprise Income Tax for eight years.</p> <p>d. BOT, BTO, and BT projects in investment encouragement areas and high-tech enterprises, technological service enterprises in high-tech parks, forestation or infrastructure projects in areas with especially difficult socio-economic conditions, large-scale projects having substantial socioeconomic impact, and projects in the special investment encouragement list are entitled to an exemption from EIT for eight years after becoming profitable</p>	<p>b. 15% for 12 years for projects meeting one of the following criteria:</p> <ul style="list-style-type: none"> - encouraged investment projects, e.g. (i) projects exporting at least 50% of their products; (ii) projects exporting at least 30% of production for export and utilizing domestic materials (representing at least 30% of production cost); (iii) projects employing at least 500 Vietnamese workers; (iv) projects for processing of agricultural, forestry, and marine products; (v) projects in the heavy industry such as refining metals and producing primary chemicals; refined oil products and fertilizer; heavy metal engineering; and for production of car and motorbike components and electronic parts and accessories; (vi) infrastructure construction and operation projects, etc - projects in areas under difficult socio-economic conditions; - service projects in an EPZ - manufacturing projects in an industrial park - projects in which the foreign party undertakes to transfer of assets to the Vietnamese government on a non-recourse basis at the end of the operating period. <p>c. 10% for 15 years for projects meeting one of the following criteria:</p> <ul style="list-style-type: none"> - projects meeting two of the criteria in category b, with exception of manufacturing projects in an industrial zone which export less than 50% of their products unless these projects meet two of the criteria of the first, second and fifth bullet points - specially encouraged projects, e.g. (i) projects exporting at least 80% of their products; (ii) projects processing agriculture, forestry, and marine products with at least 50% of production for export; (iii) projects in production of new quality hybrid seeds; (iv) projects in agriculture, forestry, and fisheries; (v) manufacture of new materials, application of new biological technologies, and application of new technologies for the manufacture of telecommunication equipment; (vi) projects in
	<p>Tax exemption and reduction for some special cases:</p> <ul style="list-style-type: none"> - Overseas Vietnamese investing in Vietnam under the Law on Foreign Investment shall enjoy 20% reduction of EIT for the same type of projects, except for projects that are eligible for the 10% rate - Investors are exempted from income tax applicable to income earned by contributing legal capital by patents, technical know-how, technological process or technical services - Capital gain tax incentives (refer to section 1.5. Capital Gain Tax). 	

VIETNAM: SUMMARY OF THE TAX SYSTEM (AS OF JUNE 2003)

NATURE OF TAX	TAX EXEMPTION AND REDUCTION	RATE
<p>EIT refund for reinvestment. Investors who reinvest profits earned from investment in Vietnam are refunded part of or all of EIT paid on the reinvested profits if the following conditions are met:</p>	<ol style="list-style-type: none"> 1. the reinvestment is made in projects that enjoy the preferential Enterprise Income Tax treatment 2. capital reinvested is used at least three years; and 3. contribution of legal capital or implanting capital to a BCC has been fulfilled. 	<p>high-tech industries; (vii) investment in research and development; (viii) manufacture of waste treatment equipment; (ix) production of materials for antibiotic medicine; (x) pollution and waste treatment and environmental protection; (xi) BOT, BTO and BT projects, etc.</p> <ul style="list-style-type: none"> - projects in areas under specially difficult socio-economic conditions - enterprises engaged in development of infrastructure of industrial parks, EPZs, and high-tech parks - export processing enterprises operating in the manufacturing sector - projects in medical examination and treatment, education, and scientific research.
<p>The refund of Enterprise Income Tax on reinvested profits is as follows:</p> <ul style="list-style-type: none"> - 100% of EIT is refunded if profits are reinvested in projects that enjoy the Enterprise Income Tax rate of 10% - 75% of EIT is refunded if profits are reinvested in projects that enjoy a rate of 15% - 50% of EIT is refunded if reinvested in projects that enjoy a rate of 20%. 	<p>The preferential tax rate may be applied for the whole operation term of certain special projects if one of the following conditions is met:</p>	<ul style="list-style-type: none"> - especially encouraged projects - encouraged projects located in areas under specially difficult socio-economic conditions - projects engaged in development of infrastructure of an industrial park, EPZ or high-tech park - projects in an industrial park, EPZ, and high-tech park - projects in medical examination and treatment, education, and scientific research.

VIETNAM: SUMMARY OF THE TAX SYSTEM (AS OF JUNE 2003)

NATURE OF TAX	TAX EXEMPTION AND REDUCTION	RATE
<i>1.2.3. Enterprise Income Tax on Foreign Contractors</i>		
Organizations and individuals carrying on business in Vietnam not under the Law on Foreign Investment in Vietnam, called foreign contractors, have to pay the so-called Foreign Contractor Tax which comprises of Enterprise Income Tax and Value Added Tax.		Tax rates: - Trading: 1% - Transportation, construction (including survey, design, and supervision), and production: 2% - Services: 5% - Interest: 10% - Royalty: 10%.
Foreign contractors which do not apply the Vietnamese Accounting System (VAS) pay the EIT at a deemed rate based on contract value. In this case, the Enterprise Income Tax payable is equal to taxable turnover multiplied by the respective deemed Enterprise Income Tax rate.		
Contractors which apply the VAS pay Enterprise Income Tax in accordance with the regulations mentioned in section 1.2.1.		
<i>1.2.4. Enterprise Income Tax on Foreign Economic Organizations' Branches in Vietnam</i>		
As per 1.2.1.		32%
Administrative expenses allocated by the head office also are deductible for Enterprise Income Tax purposes.		
Deduction of payments to head office and its affiliated branches in the form of royalties, fees for use of patents, and interest payments on loans, with exception of payment for actual services for the branches' business, are disallowed. For branches of foreign credit institutions, interest payments paid to the institutions are deductible for Enterprise Income Tax purposes, with exception of interest paid in relation to the branches' legal capital or charter capital.		
The branches are allowed to carry forward loss to offset against profit of a year in calculating taxable income in accordance with the EIT law.		
<i>1.3. Supplementary Income Tax</i>		
The supplementary enterprise income tax is levied on after-tax income, i.e. income after EIT calculated at the rate of 32%, in excess of 20% of owner's equity.	Additional income tax shall not be imposed on:	25%
	a. foreign invested enterprises	
	b. businesses entitled to the EIT rate of 25% for three years from 1 January 1999	
	c. investment projects in encouraged lines of business and areas and entitled to preferential Enterprise Income Tax rates (25%, 20%, and 15%)	
Supplementary EIT = [After-tax income (taxed at 32% rate) – 20% of owner's equity] x 25%		

VIETNAM: SUMMARY OF THE TAX SYSTEM (AS OF JUNE 2003)

NATURE OF TAX	TAX EXEMPTION AND REDUCTION	RATE
<p>1.4. Withholding Profit Remittance Tax Income earned by foreign investors from investment in Vietnam, including refunded Enterprise Income Tax for reinvestment and capital gains, is taxable when remitted overseas or retained outside Vietnam.</p>	<p>d. businesses which export more than 50% of their products or have export revenue equal to or higher than 50% of total revenue</p> <p>e. business households</p> <p>f. public service units which are entitled to State budget funding and are not granted business capital.</p>	
	<p>Foreign economic organizations' branches in Vietnam are not liable for the profit remittance tax.</p>	<p>a. 3% for:</p> <ul style="list-style-type: none"> - overseas Vietnamese who invest in Vietnam under the Law on Foreign Investment in Vietnam - foreigner investors investing in an industrial park, EPZ, or high-tech park - foreign investors contributing legal capital or capital for the implementation of a BCC from US\$10 million - foreign investors investing in areas under specially difficult socio-economic conditions in the list of areas for encouraged investment. <p>b. 5% for:</p> <ul style="list-style-type: none"> - foreign investors contributing legal capital or capital for implementation of a BCC from US\$5 to US\$10 million - foreign investors investing in projects of medical examination and treatment, education and training and scientific research <p>c. 7% in other cases</p>
<p>1.5. Capital Gain Tax The capital gain tax, or EIT on gain from capital transfer, is levied on gains from the transfer of contributed capital (in a joint venture, a 100% foreign-owned enterprise, or a BCC) by foreign investors in Vietnam. Taxable gain is defined as the transfer price less the original cost of the transferred capital and expenses associated with the transfer.</p>	<p>Investors which transfer their contributed capital to a State-owned enterprise or enterprises of which a controlling share is held by the State are exempt from EIT</p> <p>Investors which transfer their contributed capital to other Vietnamese enterprises, e.g. limited liability company, joint-stock company, private company or cooperative, are entitled to a reduction of 50% of EIT payable.</p>	<p>25%</p>
<p>2. Social Security Contribution</p>	<p>Expatriates are exempt</p>	<p>Social insurance: employer contributes 15% and employee contributes 5% of the employee's salary.</p>

VIETNAM: SUMMARY OF THE TAX SYSTEM (AS OF JUNE 2003)

NATURE OF TAX	TAX EXEMPTION AND REDUCTION	RATE
<p>3. Taxes on Goods and Services</p>		<p>Health insurance: employer contributes 15% and employee contributes 5% of the employee's salary.</p>
<p>3.1. Value-Added Tax</p>		
<p>Goods and services used for the purpose of production, business, or consumption in Vietnam are subject to VAT. For domestic production and business goods, tax is calculated on before-VAT price. For imports, the base includes the dutiable price and import duty.</p>	<p>Goods not subject to VAT are as follows:</p>	<p>VAT rates are:</p>
<p>Two methods of VAT payment are:</p>	<ul style="list-style-type: none"> a. agricultural production b. salt products c. excisable products and services and imports, except for export products that are subject to VAT at the rate of 0% d. machinery, equipment, means of transportation and construction materials which cannot be produced domestically and are imported to form fixed assets of an enterprise; aircrafts, oil rigs and ships which cannot be produced domestically and leased from abroad for production and business purposes; machinery, equipment, specialized means of transportation and supplies which cannot be produced domestically and imported for petroleum operations e. transfer of land-use right, which is subject to the tax on transfer of land-use right f. state-owned houses sold to tenants g. credit and investment fund services, including lending activities, financial leasing, banking, investment funds, finance company, capital transfer activities and securities activities h. certain insurance services i. medical services, disease prevention and maintenance for people and vetting services j. certain artistic, cultural, and sport activities k. teaching and training l. state-funded broadcasting m. printing and publishing (newspapers and certain types of publications) n. public services in sanitary and drainage for roads and residential places, maintenance of zoos, flower garden, park and road trees, and funeral services 	<ul style="list-style-type: none"> a. 0% for exports to a foreign country or enterprises in an EPZ (including export products subject to Special Sale Tax and export processed products), repair of machinery, equipment and means of transportation for foreign entities overseas and enterprises in an EPZ, labor export services, construction and installation overseas for enterprises in an EPZ, and other activities deemed as export, e.g. manufacture of products sold by foreign invested enterprises to a foreign entity but delivered in Vietnam b. 5% for essential goods and services (e.g. clean water, food, fertilizer, medicines, and various agricultural goods and services); mechanical products (except consumer items); coal; metallurgical products (excluding gold); excisable goods subject to VAT by the credit method at commercial stage; special healthcare equipment, and teaching-aids, construction and installation associated with construction, etc. c. 10% - standard rate (e.g. electricity; minerals; processed foods; post and transport services; tailoring; hotel, restaurants, and tourism services; auditing, insurance, and consulting services; and goods and services not subject to the rates of 0%, 5% and 20%) d. 20% for traded gold, silver and gemstone, lotteries, and shipping agent and brokerage services.
<ul style="list-style-type: none"> - credit method, whereby VAT payable is the difference between output VAT and input VAT; and - direct method, whereby VAT payable is calculated on value added of VATable goods or services. 		

VIETNAM: SUMMARY OF THE TAX SYSTEM (AS OF JUNE 2003)

NATURE OF TAX	TAX EXEMPTION AND REDUCTION	RATE
	o. maintenance, improvement and constructions of cultural and artistic work, work of public interest, infrastructure and charity house financed by people's contributions and charity sources	
	p. bus transport	
	q. geological investigation and surveys and mapping financed by the State budget	
	r. irrigation for agricultural production and supply of safe water exploited by individuals for living in rural, mountainous, islands and remote areas	
	s. arms for national defense	
	t. imported goods for charity aids, non-refundable grants; gifts for certain organizations; articles of organizations and individuals under diplomatic immunity; imported goods sold to international organizations and foreigners for charity or non-refundable aid purposes; goods sold to organizations and individuals entitled to diplomatic immunity; and non-refundable ODA projects	
	u. goods in transit	
	v. temporary imports for re-exports, temporary exports for re-imports	
	w. materials imported for export production and processing	
	x. goods and services supplied for international transport and consumers outside Vietnam, with exception of services of repair of machinery, equipment and means of transportation of foreign entities and labor export services	
	y. technology transfers and software products (except export softwares)	
	z. imported gold in bars and pieces and gold which has not been processed into fine art, jewelry and other products	
	aa. natural resources and minerals exploited but not yet processed for export (crude oil, gemstones, some ores, etc.)	
	bb. goods and services by business individuals who have business income less than the minimum salary for civil servants	

VIETNAM: SUMMARY OF THE TAX SYSTEM (AS OF JUNE 2003)

NATURE OF TAX	TAX EXEMPTION AND REDUCTION	RATE
<p>3.1.1. Value-Added Tax on Foreign Contractors</p>		
<p>Contractors which apply the VAS pay VAT based on value of contract at a deemed percentage of value added. VAT payable is calculated as follows: Deemed value added in taxable turnover times applicable VAT rate times contract value.</p>		<p>Deemed percentages of value added in taxable turnover:</p> <ul style="list-style-type: none"> - Trading: 10% - Services: 50% - Construction and installation (without supplying materials, machinery, and/or equipment), and design and supervision: 50% - Construction and installation (accompanied by a supply of materials, machinery, and/or equipment): 30% - Production and transportation: 25%
<p>Contractors which apply the VAS pay VAT by the credit method as mentioned in 3.1.</p>		
<p>3.2. Special Sale Taxes (excise tax)</p>		
<p>Tax base is the tax-exclusive sale price, which is calculated as follows:</p>	<p>Goods not subject to special sale tax are:</p>	
<p>Tax base = Sale price/(1 + Tax rate).</p>	<ul style="list-style-type: none"> a. goods directly exported by production or processing enterprises b. goods imported in the following cases: <ul style="list-style-type: none"> - by humanitarian and non-refundable aid agencies; as donations to state agencies or to political and social organizations; by units of the armed forces; under diplomatic immunity; and as duty-free luggage - goods in transit - goods temporarily imported for re-export - goods temporarily exported for re-import - goods imported for duty-free sale. 	
	<p>Exemptions from or reduction of excise tax are granted in following cases:</p>	
	<ul style="list-style-type: none"> a. difficulties for enterprises producing excisable goods due to disaster, war, or sudden calamities b. small-scale loss-making beer production (until May 20, 2003) c. domestic production of automobiles (reduction from 50% to 100% of SST payable until 20 May 2003 and possible reduction of SST from one to five years thereafter, if the production is still in a loss position) d. reduction of 30% of SST payable for golf business until 20 May 2003 	

VIETNAM: SUMMARY OF THE TAX SYSTEM (AS OF JUNE 2003)

NATURE OF TAX	TAX EXEMPTION AND REDUCTION	RATE
(a) Cigarettes, cigars		Rates on excises are: - Cigarettes without filters: 25% - Cigarettes with filters (produced mainly from domestic materials): 45% - Cigarettes with filters (produced mainly from imported materials) and cigars: 65%
(b) Beer		- Drought and keg beer: 50% - Canned beer: 65% - Bottled beer: 75%.
(c) Alcoholic beverages		- Medicinal liquor: 15% - Liquor with alcohol concentration below 20%: 20% - Liquor with alcohol concentration from 20 to 30%: 25% - Liquor with alcohol concentration from 30 to 40%: 55% - Liquor with alcohol concentration above 40%: 70%.
(d) Automobiles	Domestic automobile manufacturers are entitled to reduction from 50% to 100% until 20 May 2003, after which the period can be extended from one to five years if they continue to suffer from losses.	- 16-24 seats: 30% - 6-15 seats: 60% - Under 5 seats: 100%.
(e) Gasoline		15%
(f) A/c conditioner (below 90,000 btu)		20%
(g) Playing cards		30%
(h) Votive paper and products		60%
(i) Massage, karaoke, and dance-hall businesses		20%
(j) Casino businesses and jackpot machines		25%
(k) Betting on horse and motor vehicle races		20%
(l) Golf course membership and playing fees	Reduction by 30% for golf course businesses until May 20, 2003.	20%
3.3. Tax on Natural Resources		
a. Royalties		
The royalties are calculated based on selling price at exploitation site.	Joint ventures are partially exempted.	Tax rates are as follows: - Metallic minerals: 2-5% - Non-metallic minerals: 1-4% - Gold: 2-3% - Rare soil: 4% - Gemstones: 3-8% - Coal: 1-3%

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NATURE OF TAX	TAX EXEMPTION AND REDUCTION	RATE
		<ul style="list-style-type: none"> - Oil: 6-25% - Gas: 0-10% - Natural forest products: 5-40% - Natural marine products: 2-10% - Natural water: 0-4% - Other natural resources: 0-20%.
<i>b. Rental for land, water and sea surfaces</i>		
Payable by foreign invested enterprises and foreign parties to a BCC.	Exemption from and reduction of the tax are available as follows: <ul style="list-style-type: none"> a. forestation projects: reduction of 90% of tax payable b. BOT, BT, BTO or projects located in areas under specially difficult socio-economic conditions: total reduction or exemption c. projects that pay rental in advance for a period from 5 to 30 years: reduction from 5% to 30% 	<ul style="list-style-type: none"> - Rental for land surface: depending on the particular conditions of the area: US\$0.01-US\$12 per square meter. Particularly, rental for industrial zones, EPZs and high-tech zones is equal to 80% of land rental for the same area - Water surface without any architectural work: US\$75-US\$525 per hectare a year - Sea surface: US\$150-US\$7,500 per square kilometer a year.
3.4. Import and Export Duty		
<i>a. Import duty</i>		
Generally, import taxable price is accordant with Article 7 of the General Agreement on Trade and Tariff. Import duty is based on the contract CIF or DAF (delivery at frontier) price, except for seven (7) groups of products of which minimum prices have been determined.	Duty-exempt imports include: <ul style="list-style-type: none"> a. goods for national defense and security b. goods and services imported for education or scientific research c. goods temporarily imported for subsequent export and those temporarily exported for fairs and exhibitions d. goods in transit 	Import duty rates (which may be normal, preferential or specially preferential rates): 0%, 1%, 3%, 5%, 10%, 15%, 20%, 30%, 40%, 50%, 60%, and maximum of 100%. Details are as follows: <ul style="list-style-type: none"> - ordinary rates apply to non-MFN (Most Favored Nation) imports and in no case exceed 70% of preferential rates - Preferential rates apply to MFN (and most) imports - Specially preferential rates apply to imports from countries with which Vietnam has signed agreements to apply such rates (mainly for the ASEAN Free Trade Area, or AFTA)
The minimum price is based on purchasing prices in international markets or trading contract of import products of the same kind, referencing domestic price of import goods and comments of Ministry of Trade and Customs Department.	Additional tax-exempt imports and exports include: <ul style="list-style-type: none"> a. imports or exports of moving assets b. samples of imports or exports c. imports or exports of duty-free luggage of passengers d. imports or exports of foreign organizations and individuals enjoying immunities and privileges in Vietnam under the laws of Vietnam, and consistent with international conventions signed or attended by Vietnam 	Discretionary additional tax is imposed in case of: <ul style="list-style-type: none"> - import dumping - imports subsidized by exporting country, thus hindering domestic production - imports from countries imposing strict import tax
The regulation of import duty on petroleum products serve several purposes, including stabilizing prices. Import duties on petroleum products also aim to eliminate the differential between international and regulated domestic prices.		

VIETNAM: SUMMARY OF THE TAX SYSTEM (AS OF JUNE 2003)

NATURE OF TAX	TAX EXEMPTION AND REDUCTION	RATE
e.	imports for duty-free sale	policy on Vietnamese exports.
f.	<p>imports or exports of foreign-owned enterprises and foreign parties to a BCC under the Law on Foreign Investment in Vietnam, including:</p> <ul style="list-style-type: none"> - machinery and equipment imported to form fixed assets - special transportation means in a technological chain and pick-up transportation means (automobiles with more than 24 seats and waterway transport means) - components, spare parts, appurtenances, appliances, and moulds accompanying the above-mentioned machinery and equipment and vehicles - imported materials used for BOT, BTO, and BT projects; plants seeds, breeds, special medicinal herbs imported to conduct agriculture, forestry and fishery projects - construction materials that cannot be produced domestically - imported materials, supplies and accessories for enterprises and foreign parties to a BCC producing mechanical, electronic, and electrical parts and accessories (exemption for 5 years upon commencement of production) - materials, supplies and accessories for specially encouraged projects or projects located in regions under specially difficult socio-economic conditions (exemption for 5 years upon commencement of production) 	
g.	commodities sold by domestic organizations and individuals (including foreign-invested enterprises) to processing enterprises obtaining export duty exemption	
h.	enterprises selling their own products to other enterprises for producing exports, which receive import duty exemptions for the materials related to the above-mentioned products	
i.	humanitarian aid and gifts as stipulated	

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NATURE OF TAX	TAX EXEMPTION AND REDUCTION separately	RATE
<i>b. Export duty</i>	Imports of equipment, machinery, and means of transportation are exempted for the following investment projects:	
	<ul style="list-style-type: none"> a. forestation and forest planting b. infrastructure and public transport c. education, health care, or culture d. export production and trading e. agricultural and fisheries development f. science, business management, or technology transfer g. production reform or relocation h. development of prioritized lines of business. 	
	Imports for investment projects in regions under difficult economic and social conditions are duty-exempt.	
	Enterprises in an EPZ are not liable to pay import and export duties in respect of machinery, equipment, raw materials, and commodities imported into the zone and for goods and products exported from the zone or sold to another EPZ.	
	Domestic enterprises and BTO, BOT and BT projects are also entitled to import duty exemption and reduction similar to those applicable to foreign-invested enterprises, foreign parties to a BCC and foreign-invested BTO, BOT and BT projects.	
	Export taxable value is determined as selling price at export gate (FOB).	
	Commodities subject to current export duty include:	
	<ul style="list-style-type: none"> a. crude oil b. wood and woody products c. cashew nuts d. aloe-wood 	<p>Export duty rates:</p> <ul style="list-style-type: none"> - crude oil: 4% (subject to changes from time to time) - wood and woody products: 5%, 15%, 20% - cashew nuts: 4% - aloe-wood: 20% - minerals: 1%, 2%, 5%, 10%, 20%

VIETNAM: SUMMARY OF THE TAX SYSTEM (AS OF JUNE 2003)

NATURE OF TAX	TAX EXEMPTION AND REDUCTION	RATE															
<ul style="list-style-type: none"> e. minerals f. precious and semi-precious gemstones g. metallic wastage h. uncompleted metals i. live animals j. botanical materials (rattan, etc.). 	<ul style="list-style-type: none"> - gemstones: 1%, 3%, 5% - metallic wastage: 35%, 40%, 45% - semi-product metals: 5% - live animals: 10% - botanic materials (rattan, etc.): 3%, 10%. 																
3.5. License Tax																	
<p>Economic organizations which have to pay annual license tax include the following:</p>	<p>The following entities are temporarily exempt from license tax:</p>	<p>The taxable economic organizations pay license tax based on registered capital stated in their business registration certificate or investment license. Grades of annual license tax are as follows:</p>															
<ul style="list-style-type: none"> - Enterprises of all economic sectors, foreign organizations and individuals carrying on business activities in Vietnam not under the Law on Foreign Investment in Vietnam, other domestic economic organizations; - Cooperatives, federations of cooperatives and people's credit funds; and - Business establishments which are branches, stores and shops (of enterprises or branches) which are dependent in accounting or follow book reporting, and are granted a business registration certificate and a tax registration certificate and tax identification number. 	<ul style="list-style-type: none"> - Salt production households, commune post offices and all type of press; and - Units or shops of cooperatives that service agricultural production directly. 	<table border="1"> <thead> <tr> <th data-bbox="1394 602 1451 626">Grade</th> <th data-bbox="1549 602 1724 626">Registered capital</th> <th data-bbox="1843 602 1990 651">Annual license tax</th> </tr> </thead> <tbody> <tr> <td align="center" data-bbox="1415 667 1430 691">1</td> <td data-bbox="1528 667 1745 691">Above 10 billion Dong</td> <td align="right" data-bbox="1843 667 1990 691">3,000,000 Dong</td> </tr> <tr> <td align="center" data-bbox="1415 699 1430 724">2</td> <td data-bbox="1514 699 1759 724">From 5 to 10 billion Dong</td> <td align="right" data-bbox="1843 699 1990 724">2,000,000 Dong</td> </tr> <tr> <td align="center" data-bbox="1415 732 1430 756">3</td> <td data-bbox="1507 732 1766 781">From 2 to less than 5 billion Dong</td> <td align="right" data-bbox="1843 732 1990 756">1,500,000 Dong</td> </tr> <tr> <td align="center" data-bbox="1415 797 1430 821">4</td> <td data-bbox="1528 797 1745 821">Less than 2 billion Dong</td> <td align="right" data-bbox="1843 797 1990 821">1,000,000 Dong</td> </tr> </tbody> </table>	Grade	Registered capital	Annual license tax	1	Above 10 billion Dong	3,000,000 Dong	2	From 5 to 10 billion Dong	2,000,000 Dong	3	From 2 to less than 5 billion Dong	1,500,000 Dong	4	Less than 2 billion Dong	1,000,000 Dong
Grade	Registered capital	Annual license tax															
1	Above 10 billion Dong	3,000,000 Dong															
2	From 5 to 10 billion Dong	2,000,000 Dong															
3	From 2 to less than 5 billion Dong	1,500,000 Dong															
4	Less than 2 billion Dong	1,000,000 Dong															
	<p>The following entities are temporarily entitled to 50% reduction of license tax payable: fishery households, commune people's credit funds, cooperatives specialized in servicing agricultural production, and stores and shops of cooperatives and private businesses in mountainous areas.</p>	<p>Annual license tax for some specific cases are as follows:</p> <ul style="list-style-type: none"> - Newly established businesses pay license tax in accordance with their registered capital of the year of establishment; - Member enterprises (in provinces and cities under the central government) of enterprises which carry out accounting for the whole entity: 2,000,000 Dong. (The enterprises which carry out accounting for the whole entity: 3,000,000 Dong). Branches of the member enterprises in districts and towns: 1,000,000 Dong - Branches and stores which are dependent in accounting or following book reporting, and do not have a business registration certificate or do not have registered capital even if they have a business registration certificate: 1,000,000 Dong - Business households: six levels, with the minimum level of 50,000 Dong if the households' monthly income is equal to or lower than 300,000 and the maximum level of 1,000,000 Dong if the households' income is higher than 1,500,000 Dong. 															

VIETNAM: SUMMARY OF THE TAX SYSTEM (AS OF JUNE 2003)

NATURE OF TAX	TAX EXEMPTION AND REDUCTION	RATE
3.6. Slaughter Tax		
Based on market value of slaughtered buffaloes, cows, and pigs.		5%
4. Property Taxes		
4.1. Agricultural Land Use Tax		
Based on area and category of agricultural land, its tax rate is calculated in paddy. Category of land is determined based on following:	Exempt are:	
- quality	a. barren hills and land used for agricultural production	1. Annual crops
- location	b. reclaimed land used for:	<u>Category of land</u>
- region (field, middle, mountain)	- annual crops: 5-year exemption; 7-year exemption for marsh and sea-encroaching areas	<u>Tax (kg paddy/hectare)</u>
- weather	- perennial crops: exempt during capital investment and for 3 years from time crops start yielding output (6 years for marsh and sea-encroaching areas).	1 550
- irrigation supply and drainage situation.		2 460
		3 370
		4 280
		5 180
		6 50
Category of land will be valid in ten years.	c. target groups of social policies:	2. Perennial and long-term crops
Tax calculated in paddy but collected in dong currency.	- for farmer households in mountainous, border, and island areas and of minorities	<u>Category of land</u>
	- invalid or elderly farmers household without any support	<u>Tax (kg paddy/hectare)</u>
	- martyr families that are being subsidized by the state	1 650
	- households of war invalids of levels 1/4 and 2/4 and sick soldiers of levels 1/3 and 2/3	2 550
	- poor households across the country	3 400
	- agricultural production households in communes under specially difficult conditions in remote areas under the Government's 135 Program	4 200
	- agricultural production households considered as poor households in accordance with Decision 1143/2000/QD-LDTBXH of the Ministry of Labor, War Invalids and Social Affairs	
	d. tax reduction for other types of households in difficulties: reduction of 50% of tax payable for agricultural production households other than those defined above	3. As for wood tree and perennial trees that are harvested only once, the tax rate of 4% of total output value will apply.

VIETNAM: SUMMARY OF THE TAX SYSTEM (AS OF JUNE 2003)

NATURE OF TAX	TAX EXEMPTION AND REDUCTION	RATE
4.2. Land and Housing Tax	<p>c. tax exemption and reduction for households which suffer from damages due to calamities; tax on agricultural land use would be exempted or reduced on the basis of damage caused as follows:</p> <ul style="list-style-type: none"> - damage from 10-20%: tax reduction according rate of damage - damage from 20-30%: reduction of 60% - damage from 30-40%: reduction of 80% - damage of 40% or more: 100% tax exempt. 	
<p>Based on area, category of land, and the tax rate of agricultural land use. The tax is calculated in paddy but collected in Dong.</p>	<p>Tax-exempt cases include:</p> <ul style="list-style-type: none"> - land used for building of administrative offices or public works - residential land in mountainous, highland, border, island, and remote areas. - residential land of war invalids of levels 1/4 and 2/4 - martyr households that are subsidized by the state. <p>The tax reduction or exemption will be applied for households in difficulties due to calamities or accidents. If damage is from 20% to 50% of the total value on the land area, then land tax reduction of 50% will be considered. If the damage is 100%, tax exemption will be considered.</p>	<p>The minimum tax rate is the average level of agricultural land use tax applied in the commune. The highest rate will be 32 times of agricultural land use tax rate.</p> <ul style="list-style-type: none"> - For land in urban areas, the land tax will be from 3 to 32 times the agricultural land use tax rate - For land in outskirts, along roads, near commercial centers, tourism areas, and new industrial areas, the land tax rate will be from 1.5 to 2.5 times the agricultural land use tax rate - For land in rural areas, the land tax rate will be the average level of the agricultural land use tax applied in the commune.
4.3. Land Use Charge	<p>Fee-of-charge cases include:</p> <ul style="list-style-type: none"> - land used for building of charity houses - land used to build high-rise buildings for rent or sale or dormitories - land used to build houses on islands, border, mountainous, or remote areas - land used to build houses for relocated people due to natural calamities - people with merits to the revolutions, armed forces heroes, Vietnamese mothers of heroes; labor heroes, war invalids and disabled soldiers who lost more than 80% working capability and 	<p>Land use charge rates:</p> <ul style="list-style-type: none"> - 0% - 20% - 40% - 100%
<p>Land use charge will be paid by the land users who are provided land by the government (for building houses, selling or leasing land; building infrastructure for lease or transfer), allowed to change the land use purpose or purchase houses of the state ownership.</p> <p>Land use charge is based on the land area, land prices and land use charge rates.</p> <p>Land use charge is collected one time.</p>		

VIETNAM: SUMMARY OF THE TAX SYSTEM (AS OF JUNE 2003)

NATURE OF TAX	TAX EXEMPTION AND REDUCTION	RATE
	relatives of revolutionary martyrs.	
	Reduction:	
	The reduction of land use charge applies to some war invalids and sick soldiers as follows:	
	<ul style="list-style-type: none"> - If working capability is lost from 61% to 80%: reduction of 90% of land use charge payable - If working capability is lost from 41% to 60%: reduction of 80% of land use charge payable - If working capability is lost from 21% to 40%: reduction of 70% of land use charge payable - For those entitled to Resistance medal and first grade Victory medal: reduction of 65% of land use charge payable. 	
4.4. Land Use Right Transfer Tax		
Organizations, households and individuals pay to pay the land use right transfer tax when transferring the land-use right	Exempt are:	For land used for agricultural, forestry, fisheries, and salt production, the tax is 2%.
	<ul style="list-style-type: none"> - transfers of the land use right by households or individuals relocating to new economic zones, mountainous areas, or islands under the decision of competent authorities - women who are conferred title "Vietnamese Mother of Heroes" - transfers of the land use right with respect to all types of land in rural communes in mountainous areas or islands - swaps between agriculture, forestry, fisheries, and salt production land - economic entities which are provided land by the government to develop infrastructure for transfer or lease of land use right attached with the infrastructure are exempt from the land use right transfer tax corresponding to the area of land for which land use charge has been paid. 	For land used for residence, work construction, and other purposes, the tax is 4%.
	A 50% reduction is given for:	
	<ul style="list-style-type: none"> - war invalids of levels 1/4 and 2/4 or sick soldiers of levels 1/3 and 2/3 - martyr households - the handicapped who are incapable of working 	

VIETNAM: SUMMARY OF THE TAX SYSTEM (AS OF JUNE 2003)

NATURE OF TAX	TAX EXEMPTION AND REDUCTION	RATE
4.4. Registration Fees		
Assets of organizations and individuals that have to register the ownership and user-rights, which are subject to registration fee, include:	0.5%, 1%, and 2%.	
<ul style="list-style-type: none">- boats, automobiles, and motorcycles- housing and land- hunting guns and sport guns.		
5. Local Fees		
Fees and tolls not shared with higher levels of government.		

Sources: Vietnamese authorities.