Current Economic Situation

With a population of 87 million, Viet Nam is densely populated and has a growing labor force. The government, the Socialist Republic of Viet Nam, has had to contend with these demographic shifts. By implementing a renovation policy, doi moi, in 1986, Viet Nam liberalized and restructured its economy, ultimately pushing for export-driven growth. While this new policy caused the economy to grow consistently at the beginning of the century, in 2009, as a result of the financial crisis, Viet Nam’s exports dropped significantly. In addition, foreign direct investment fell by 70 percent and its currency, the dong, devalued.

Currently, Viet Nam ranks 93rd out of 183 in the World Bank’s Ease of Doing Business rankings, largely due to its tax process and restrictions over opening and closing a business.

APEC Relations

Within APEC, Viet Nam sends most of its exports to Japan and the U.S., with merchandise totaling $44.0 billion. The majority of its imports come from China, Singapore and Japan, with merchandise totaling $66.8 billion.

Free Trade Agreements:

Association of Southeast Asian Nations

Under negotiation:

Vietnam-U.S.
Trans-Pacific Strategic Economic Partnership Agreement

Energy and Environmental Policy

Viet Nam is a resource abundant economy. While it has developed much within the last decade, the economy is working to improve in energy production and consumption per capita. Thus, national policy has been directed toward using energy more efficiently and making it more accessible to the public, as well as diversifying and developing renewable energy.

One of the major goals is to develop an ASEAN power distribution grid, to take advantage of neighboring countries’ resources and strengthen energy security. The primary document, “Orientation of sustainable development strategy in Viet Nam,” was the first official policy of Viet Nam and was adopted in 2004. The policy promulgates eight principles of sustainable development and focuses on protecting the environment and human capital. To meet these goals, Viet Nam has taken steps to strengthen its legal system, support research and development, and increase regional cooperation.

Exports to APEC members make up 70 percent of Viet Nam’s total exports, while imports from APEC members account for 83 percent of total imported merchandise.

Viet Nam has seen unprecedented growth in inward foreign direct investment (FDI), from $4.1 million in 1989 to $4.5 billion in 2009. From the U.S. alone, Viet Nam received $473.0 million in FDI, up 11 percent from 2007.

Viet Nam is also a member of the Association of Southeast Asian Nations and recently joined the World Trade Organization in 2007.

KEY FACTS

Population: 87.3 million
GDP: $91.9 billion
GDP per capita: $1,052
Balance of payments: -$7.4 billion
Commercial Services BOP: -$835.0 million
Government: Communist state