



YOUR LOGO



The Economy of Vietnam

FACULTY OF ECONOMICS
THAMMASAT UNIVERSITY

Outline

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OVERVIEW



Socioeconomic indicators

	2000	2018
Population	79.9 million	96.5 million
GDP per capita	\$390	\$2,715
Under 5 mortality (per 100,000 births)	29.7	20.4
Infant mortality (per 100,000 births)	23.4	16.3
Primary education attainment	85%	99%
Poverty rate	32.1%	15.0%



Geography

- Land area: 331,000 square km
- Spans 2,000 km north to south
- Mountainous northern and central highlands
- Most large cities located along the coast
- Arable land only 23%



Historic milestones

- 1986: Vietnam Congress announces *Doi Moi*; shift from central command to market-based economy
- 1990s: beginning of official development assistance and foreign investments
- 2000: Bilateral trade agreement signed with US; trade relations normalized



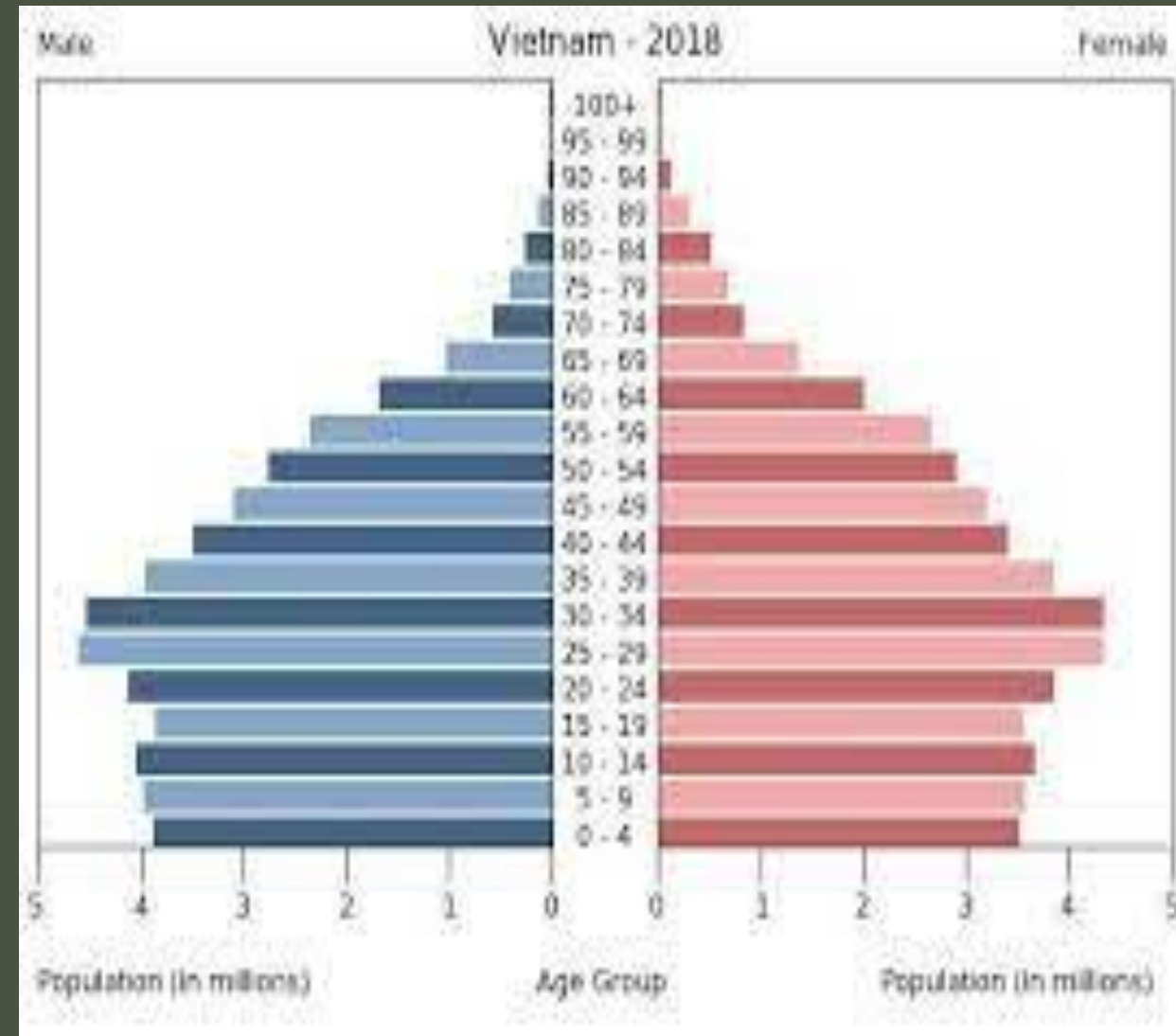
Historic milestones

- 2001: Communist Party approves 10-year economic plan; larger private sector role
- 2006: Vietnam joins the World Trade Organization
- 2015: Vietnam joins ASEAN Economic Community

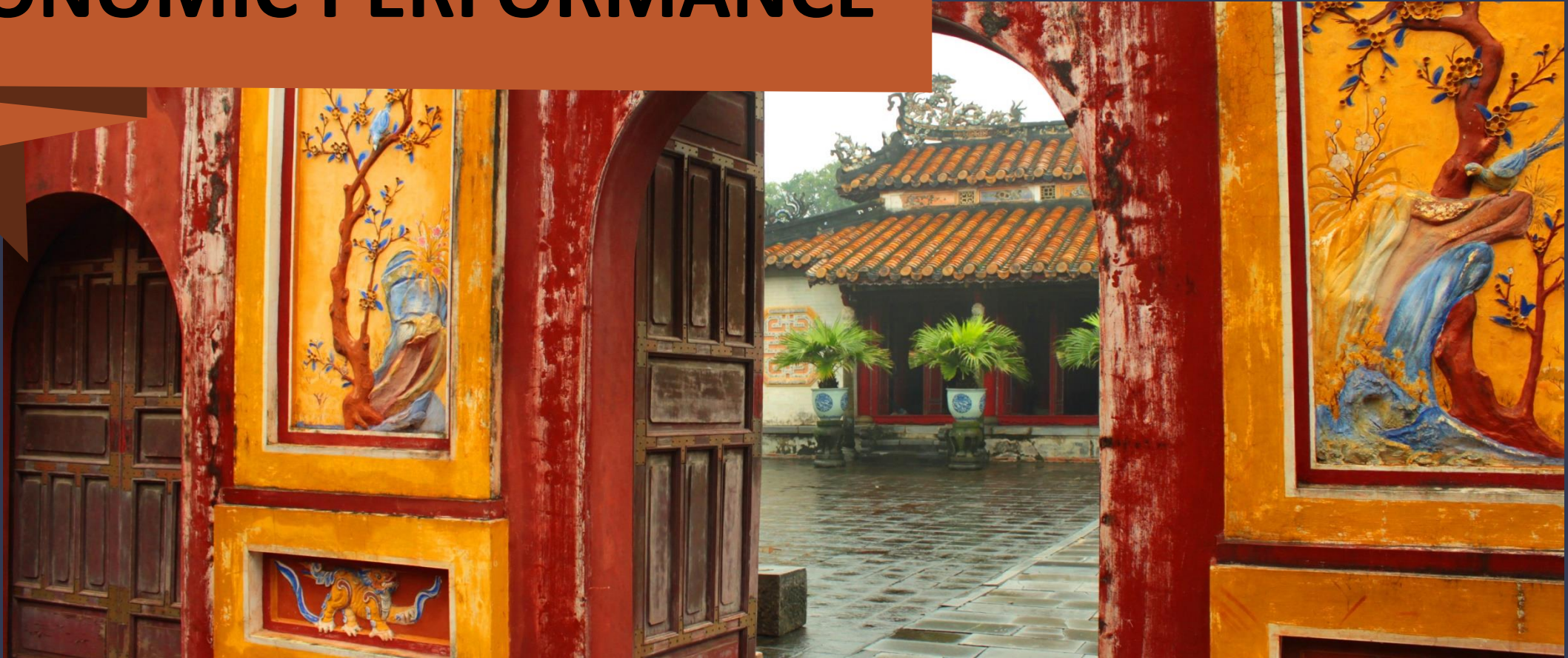


Demographics

- Rapid demographic and social change; population increased from 60 to 97 million from 1986-2020
- 70% of the population under 35 years; life expectancy 73 years
- Rapidly aging population; people 65 years and older projected to double from 7% in 2015 to 15% by 2035

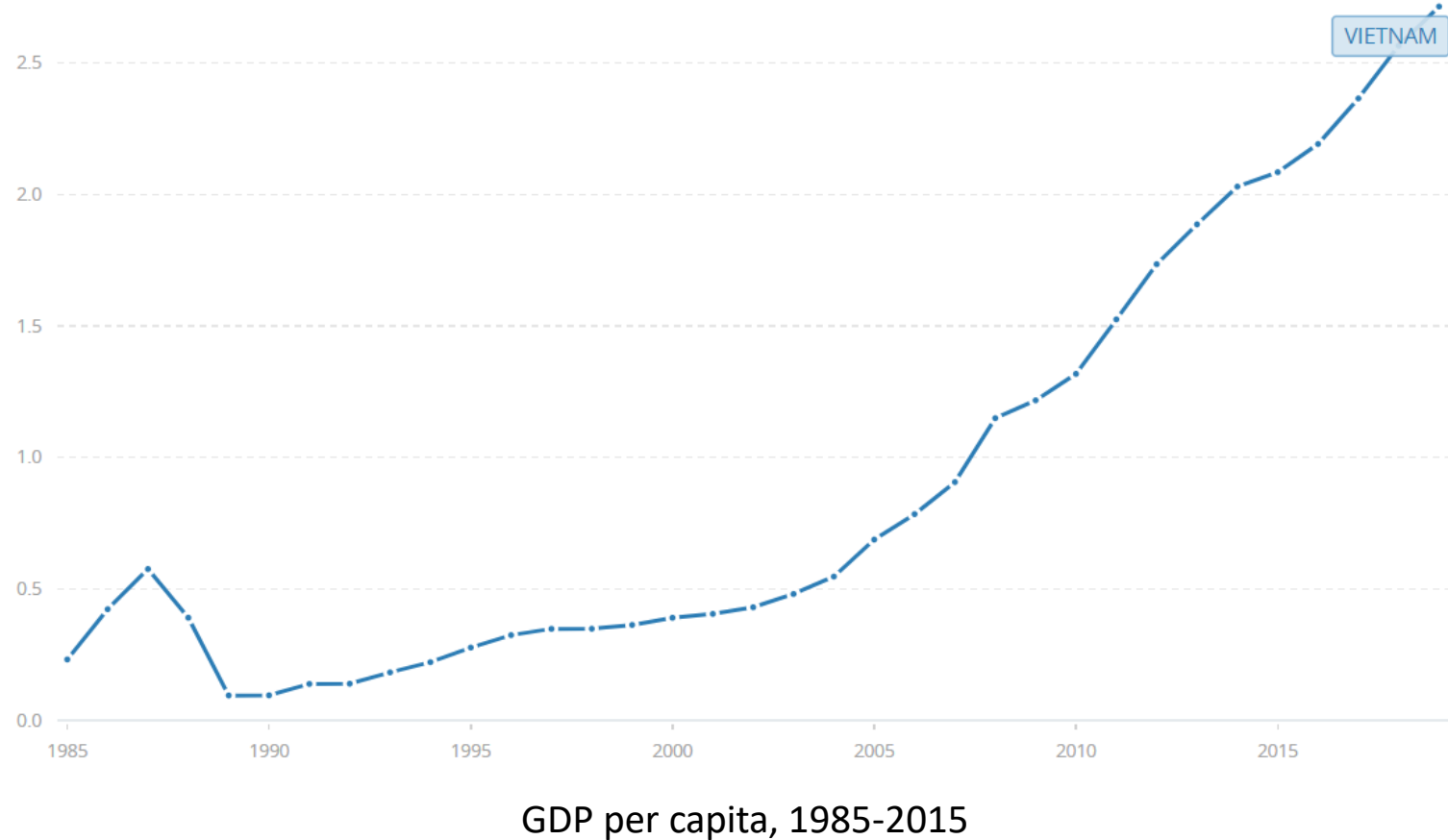


ECONOMIC PERFORMANCE



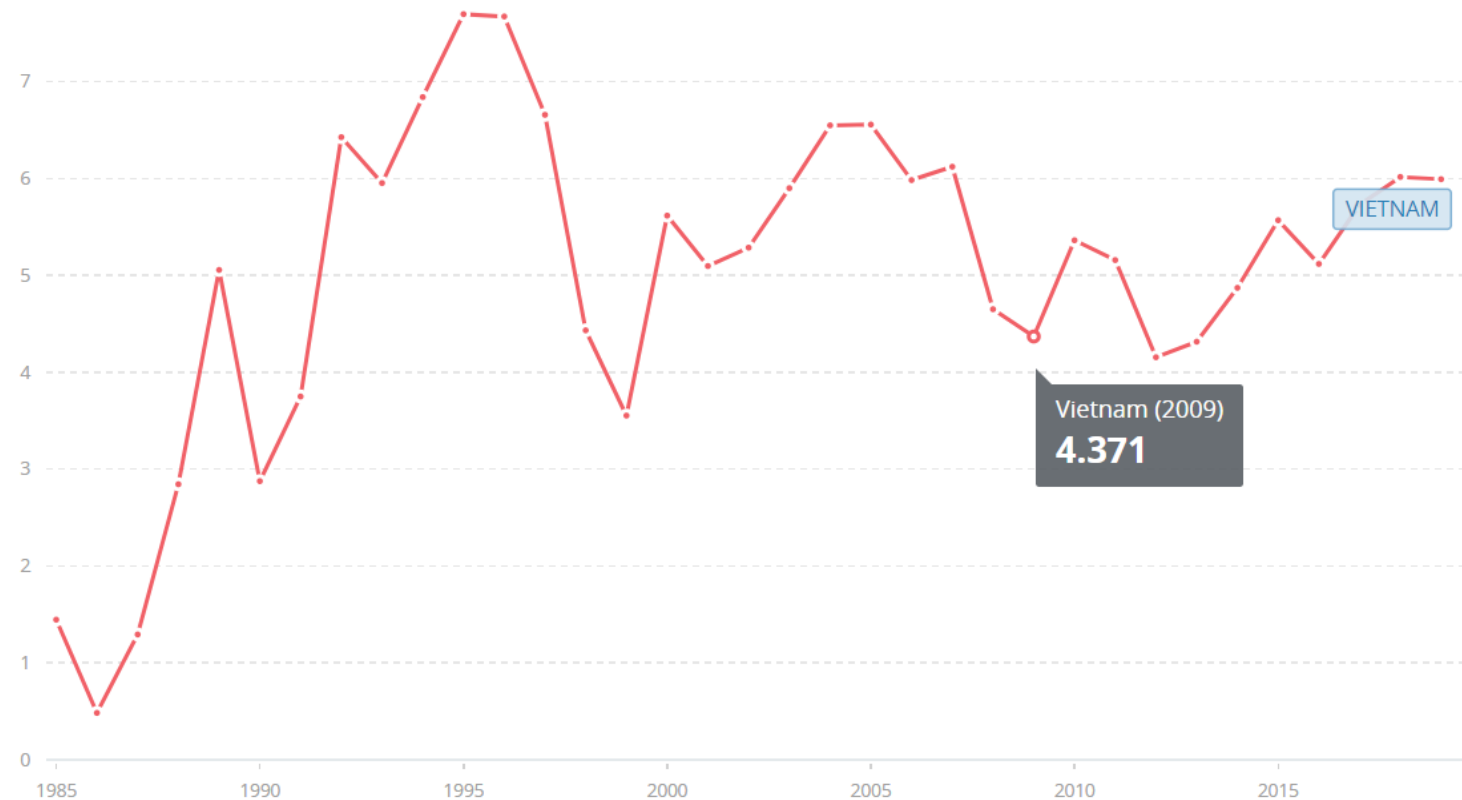
Economic growth and development

- Poverty reduction, rapid economic growth and integration into the global economy
- Reached middle-income status in 2009
- Achieved most of the 2015 Millennium Development Goals



Economic outcomes

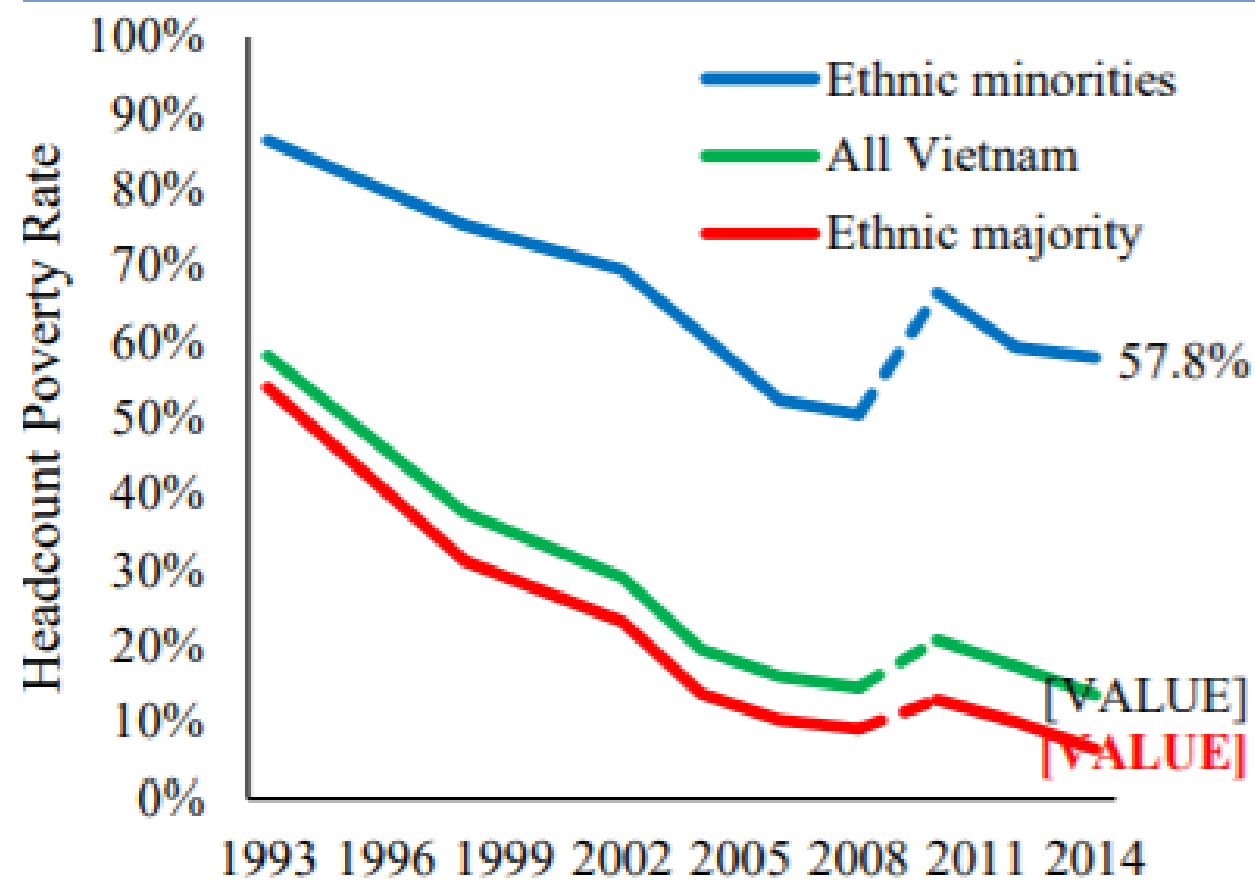
- Annual GDP growth 8-10% from 2000-2015
- Improved service delivery, education, and public infrastructure,
- Rapid economic growth has reduced poverty and created more and better jobs



GDP annual growth, 1985-2015

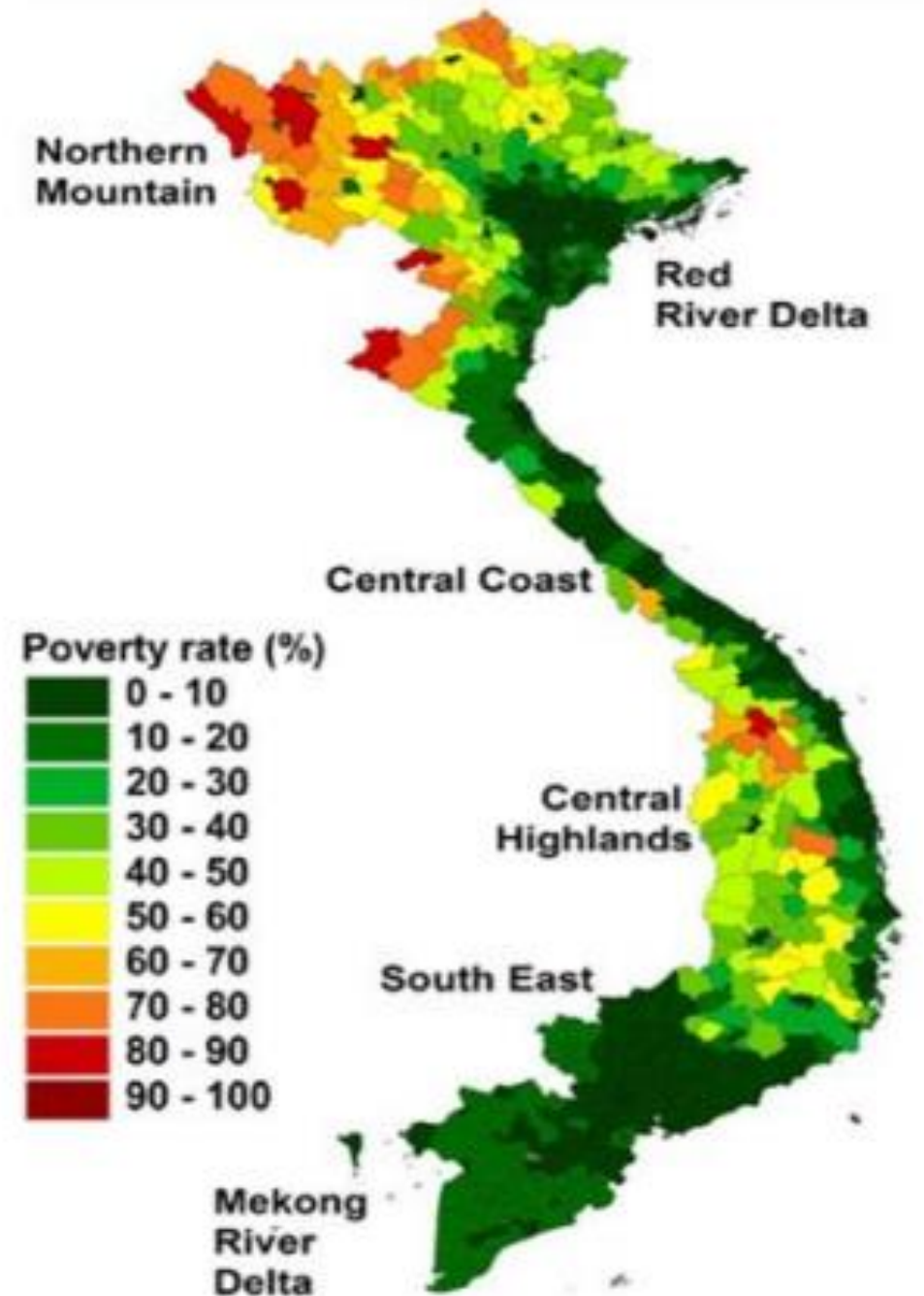
Poverty reduction

- Poverty decreased from 60% in 1993 to 13.5% percent in 2014
- Over 40 million people lifted out of poverty over 30 years
- However poverty reduction for ethnic minorities has been slower than the national average



Poverty reduction

- Poverty reduction has not been equally achieved across regions
- Poverty is concentrated among ethnic minorities, living in the northern and central mountains



Drivers of rapid economic growth

- Exports: active negotiation of bilateral free trade agreements and ability to adapt to global trade
- Manufacturing: textiles, processed food, furniture, plastics and paper
- Agriculture: rice and agricultural crops, fisheries, forest products (totaling 14% of total GDP)
- Tourism: tourist arrivals topped 10 million in 2016



SECTOR PERFORMANCE



Agriculture

- Main agricultural crops: rice, cassava, maize and sweet potatoes
- Rice consumption reached 21.5 million tons (ranked 5th)
- Agriculture employs half the labor force
- Annual agriculture growth slowed, from 4.5% in 1994–2000 to 2.6% in 2008–2018



Agriculture

- Transformed from an agrarian economy to labor-intensive manufacturing and services
- 15 million jobs created over the past 20 years
- Rural population earn more income from non-agriculture employment



The need to focus on new drivers of growth

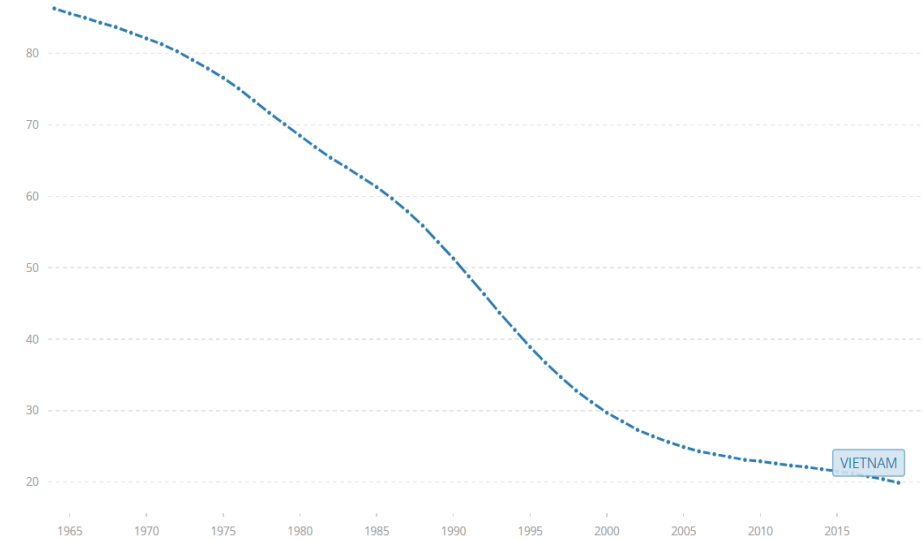
Higher agriculture growth will require a focus on new drivers of growth including:

- agricultural innovation
- inclusive value chain development
- quality, and value addition
- higher land market efficiency
- greater sustainability of farm production and climate change resilience
- more efficient water use

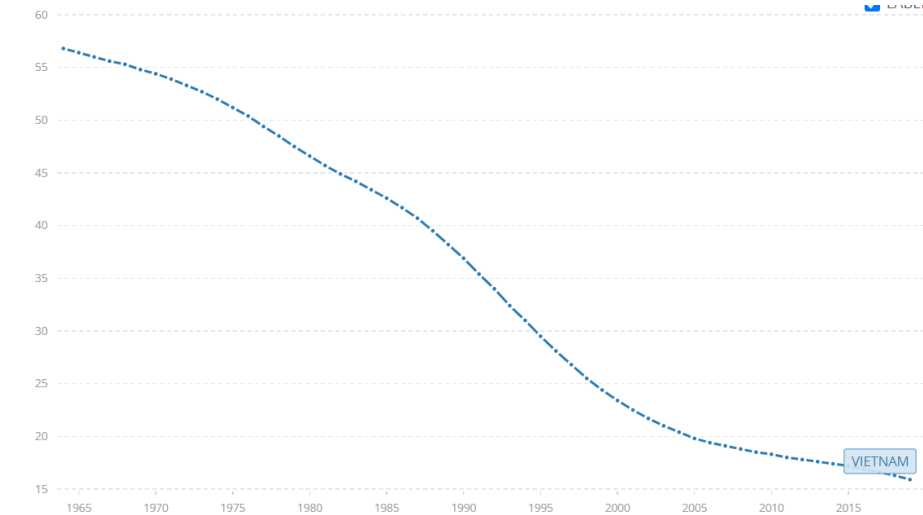


Human development

- Human ed to improved access to education and health services
- Population is far healthier and educated compared to the past 20 years
- Service coverage and learning outcomes are high and equitably achieved in primary school



Under-5 mortality rate, 1980-2018



Infant mortality rate, 1980-2018

Education

- Vietnamese have obtained better jobs
- As the economy develops and becomes integrated with the global economy, new and varied skills are needed to contribute to a changing economy
- Development of the domestic private sector will also require innovation



Outcome of educational reforms

- Improved teaching quality and curricula: higher education instructors to hold masters or doctoral degrees
- Improved quality of labor force through investments in vocational training
- Greater enrollment in applied technical and science programs



Health

- Infant mortality rate decreased from 30 to 20 per 1,000 live births; stunting decreased from 61% to 23% (2000-2018)
- Health insurance currently covers 81% of the population; however one-third of the bottom 40% are still not covered
- Universal health coverage and access to affordable quality services still remains a challenge for ethnic minority groups



Urban development

- Urban transformation and substantial infrastructure improvements and service access
- Traffic congestion in cities and national highway systems; increased traffic delays and travel time
- Improved access to clean water and sanitation services (over 90%) and electricity (99%)



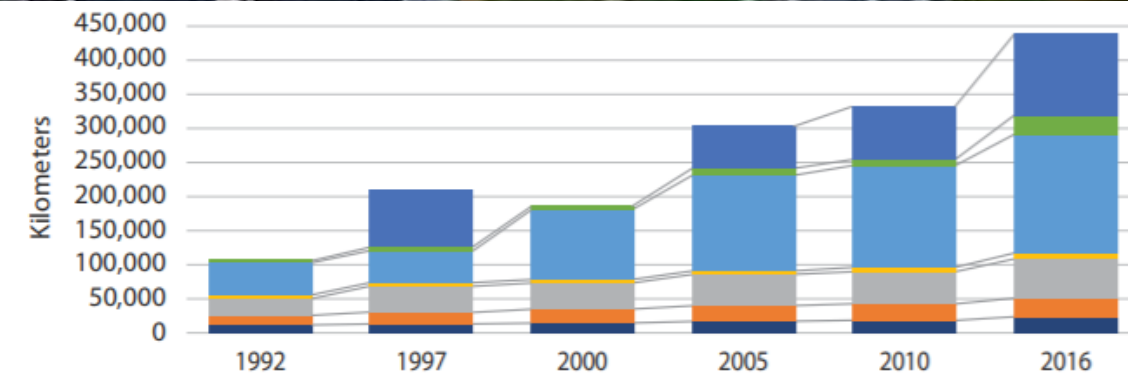
Urban development

- Migration to cities present rural households with non-farm opportunities, thereby diversifying their income sources from agriculture
- Development of economic clusters around major urban areas, seaports, airports and main economic corridors
- Economic clusters have attracted foreign investment and generate employment due to connectivity, infrastructure and favorable government policies



Transport

- The transport network has expanded significantly; total length excluding village roads, reached over 300,000 km, including 1,000 km of expressways
- The extensive transport network is exposed to various hazards, including landslides, floods, typhoons, which are increasing in intensity and frequency due to climate change



Transport

- Vietnam has an extensive network of natural waterways, including 16,000 km of managed navigable routes around the Red River and Mekong Delta areas
- The seaport system includes 45 ports and nearly 200 terminals; maritime cargo has continued to increase, both international and domestic
- Vietnam's aviation sector has seen rapid growth in the recent years, with its air freight growing at an average rate of 10.8% per year from 2009 to 2017



Environment

- Rapid growth has resulted in negative impacts on the environment
- Emerged as the fastest growing per capita greenhouse gas emitter in the world, growing at 5% annually
- Highly vulnerable to climate change impacts and natural disasters, given the narrow coastline





CONCLUSION

Conclusion

In responding to changing global and domestic conditions, Vietnam has embarked on four key structural changes:

- from central planning to market-based economy
- from agrarian to manufacturing and services
- from rural to urban spatial change
- from a closed to an export-driven economy

Continued development and growth and ability to respond to development challenges will require structural changes



Conclusion

Vietnam will also have to ensure environmentally sustainable practices and address climate threats, promote equity and social inclusion, reduce poverty among marginalized groups, particularly ethnic minorities and provide services for an increasingly urban as well as aging middle class population

Vietnam's high economic growth rates will likely to be sustained if built on increased productivity growth; this will require strengthening the competitiveness of the private sector



THANK **Y**OU!