

## **Vietnam: Statistical Appendix**

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VIETNAM

**Statistical Appendix**

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Approved by the Asia and Pacific Department

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	Page
Basic Data .....	3
1. Gross Domestic Product by Expenditure Categories at Current Prices, 2001–05 .....	4
2. Gross Domestic Product by Sector and Ownership at Current Prices, 2001–05 .....	5
3. Gross Domestic Product by Sector at Constant Prices, 2001–05 .....	6
4. Consumer Price Inflation, 2001–06 .....	7
5. Gross Value of Agricultural Production at Constant Prices, 2001–05 .....	8
6. Production of Food Staples, 2001–05 .....	9
7. Industrial Crop Production and Livestock, 2001–05 .....	10
8. Gross Value of Industrial Production at Constant Prices, 2001–05 .....	11
9. Industrial Production by Sector of Ownership at Constant Prices, 2001–05 .....	12
10. Population and Employment, 2001–05 .....	13
11. Total and Nonstate Employment by Sector, 2001–05 .....	14
12. Employment in the State Sector, 2001–05 .....	15
13. Summary of General Government Budgetary Operations, 2001–06 .....	16
14. Government Revenues, 2001–06 .....	17
15. Government Expenditures, 2001–06 .....	18
16. Treasury Bill and Bond Issues, 2004–06 .....	19
17. Monetary Survey, 2002–06 .....	20
18. Balance Sheet of the State Bank of Vietnam, 2002–06 .....	21
19. Consolidated Balance Sheet of Deposit Money Banks, 2002–06 .....	22
20. Distribution of Credit, 2001–06 .....	23
21. Nominal Interest Rates, 2003–06 .....	24
22. Exchange Rate Developments, 2001–06 .....	25
23. Balance of Payments, 2002–05 .....	26
24. Merchandise Exports by Commodity, 2001–05 .....	27
25. Merchandise Imports by Commodity, 2001–05 .....	28

26.	Direction of Trade, 2001–05 .....	29
27.	Commitments of Foreign Direct Investment, 2001–05 .....	30
28.	Public Sector Debt, 2002–05 .....	31
29.	External Debt and Debt Service, 2002–05 .....	32
30.	Summary of Normal Tariff Schedule, 2001–06 .....	33
31.	Common Effective Preferential Tariff (CEPT) Rates, 2001–06 .....	34
	Summary of the Tax System.....	35

## Vietnam: Basic Data

Nominal GDP (2005): US\$52.8 billion  
Population (2005): 83.12 million

GDP per capita (2005): US\$636  
Fund quota: SDR 329.1 million

	2001	2002	2003	2004	2005
Real GDP (annual percentage change)	6.9	7.1	7.3	7.8	8.4
Industrial output	14.6	14.8	16.8	16.6	17.2
Saving-investment balance (in percent of GDP)	1.6	-1.9	-4.9	-3.4	0.4
Gross national saving	32.8	31.3	30.6	32.3	35.6
Private	26.9	23.9	23.3	23.9	28.9
Public	5.9	7.4	7.3	8.4	6.7
Gross investment	31.2	33.2	35.4	35.7	35.2
Private	20.6	21.5	20.8	23.1	22.0
Public	10.6	11.7	14.7	12.6	13.2
Inflation (annual percentage change)					
Period average	-0.4	4.0	3.2	7.7	8.3
End of period	0.7	4.0	2.9	9.7	8.8
GDP deflator	1.9	4.0	6.7	8.2	8.0
General government					
Official budget balance	-2.8	-1.4	-1.2	0.9	-1.2
Revenue and grants	21.6	22.7	24.9	26.7	25.9
of which: oil revenue	7.4	6.8	7.0	7.9	8.8
Expenditure	24.4	24.2	26.1	25.8	27.1
Off-budget expenditure and net lending	2.2	3.3	5.2	3.7	4.7
Net lending	2.2	2.4	3.2	2.4	2.7
ODA	1.0	0.9	1.5	1.4	0.8
DAF	1.2	1.5	1.7	1.0	0.5
Sovereign bond-financed lending to SOEs	0.0	0.0	0.0	0.0	1.4
Off-budget investment expenditure	0.0	0.9	2.0	1.3	2.0
Overall fiscal balance including off-budget expenditure	-5.0	-4.7	-6.4	-2.8	-5.9
Non-oil overall fiscal deficit	-12.4	-11.5	-13.5	-10.7	-14.6
Money and credit (annual percentage change, end of period)					
Broad money	25.5	17.6	24.9	29.5	29.7
Credit to the economy	21.4	22.2	28.4	41.6	31.7
Reserve money	16.7	12.4	27.4	16.1	23.7
Interest rates (in percent, end of period)					
Nominal three-month deposit rate (households)	5.9	7.0	6.3	6.7	7.8
Nominal short-term lending rate (less than one year)	8.8	9.9	10.0	10.7	12.0
Real three-month deposits rate (households)	5.1	2.8	3.3	-2.7	-0.9
Real short-term lending rate (less than one year)	8.0	5.6	6.9	1.0	3.0
Current account balance (including official transfers)					
(in millions of U.S. dollars)	524	-673	-1,932	-1,565	218
(in percent of GDP)	1.6	-1.9	-4.9	-3.4	0.4
Exports f.o.b (annual percentage change, U.S. dollar terms)	4.0	11.2	20.6	31.4	22.5
Imports f.o.b. (annual percentage change, U.S. dollar terms)	3.4	22.1	28.0	26.6	15.7
Foreign exchange reserves (in millions of U.S. dollars, end of period)					
Gross official reserves, including gold	3,387	3,692	5,620	6,314	8,557
(in weeks of next year's imports of goods and nonfactor services)	8.2	7.2	8.7	8.5	9.8
External debt (in percent of GDP) 1/	38.5	35.2	34.2	33.9	32.0
Total public and publicly guaranteed debt (in percent of GDP) 1/	36.0	38.2	41.1	42.7	44.0
Exchange rate (dong per U.S. dollar)					
Period average 2/	14,786	15,244	15,475	15,704	15,816
End of period 2/	15,070	15,368	15,608	15,739	15,875
Real effective exchange rate (annual percentage change) 3/					
Period average	0.1	-1.8	-7.9	-1.4	4.3
End of period	0.4	-5.5	-9.0	1.1	13.0
Memorandum items:					
GDP (in trillions of dong at current market prices)	481.3	535.8	613.4	715.3	837.9
Per capita GDP (in U.S. dollars)	413	440	489	554	636

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

1/ Debt data are not fully comparable to the data in the staff report due to revisions as of September 20, 2006.

2/ Interbank market rate.

3/ A positive number implies an appreciation.

Table 1. Vietnam: Gross Domestic Product by Expenditure Categories at Current Prices, 2001–05 1/

	2001	2002	2003	2004	2005 Est.
(In billions of dong)					
Consumption	342,607	382,137	445,221	511,221	548,793
Private	312,144	348,747	406,451	465,506	533,141
Government	30,463	33,390	38,770	45,715	51,652
Investment	150,033	177,983	217,434	253,686	297,000
Gross capital formation	140,301	166,828	204,608	237,868	277,547
Change in stocks	9,732	11,155	12,826	15,818	19,453
Domestic demand	492,640	560,120	662,655	764,907	881,793
Net exports	-10,982	-27,684	-51,288	-54,000	-38,469
Exports	262,846	304,262	363,735	470,216	578,373
Imports	273,828	331,946	415,023	524,216	616,842
Statistical discrepancy 2/	-363	3,326	2,076	4,400	-5,466
GDP	481,295	535,762	613,443	715,307	837,858
(In percent of GDP)					
Consumption	71.2	71.3	72.6	71.5	69.8
Private	64.9	65.1	66.3	65.1	63.6
Government	6.3	6.2	6.3	6.4	6.2
Investment	31.2	33.2	35.4	35.5	35.4
Gross capital formation	29.2	31.1	33.4	33.3	33.1
Change in stocks	2.0	2.1	2.1	2.2	2.3
Domestic demand	102.4	104.5	108.0	106.9	105.2
Net exports	-2.3	-5.2	-8.4	-7.5	-4.6
Exports	54.6	56.8	59.3	65.7	69.0
Imports	56.9	62.0	67.7	73.3	73.6
Statistical discrepancy 2/	-0.1	0.6	0.3	0.6	-0.7
(Annual percentage change)					
Consumption	6.4	11.5	16.5	14.8	14.4
Private	6.3	11.7	16.5	14.5	14.5
Government	7.5	9.6	16.1	17.9	13.0
Investment	14.7	18.6	22.2	16.7	17.1
Gross capital formation	14.9	18.9	22.6	16.3	16.7
Domestic demand	8.8	13.7	18.3	15.4	15.3
Exports	8.1	15.8	19.5	29.3	23.0
Imports	7.8	21.2	25.0	26.3	17.7
GDP	9.0	11.3	14.5	16.6	17.1
(Contribution to nominal GDP growth, in percent)					
Domestic demand	100.9	123.9	132.0	100.4	95.4
Private consumption	52.3	72.6	81.2	64.8	60.0
Fixed capital formation	45.9	48.7	48.6	32.7	32.4
Change in stocks	2.7	2.6	2.2	2.9	3.0
Net exports	-0.3	-30.7	-30.4	-2.7	12.7
Statistical discrepancy 2/	-0.7	6.8	-1.6	2.3	-8.1
GDP	100.0	100.0	100.0	100.0	100.0

Source: General Statistics 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, 2001–05 1/

	2001	2002	2003	2004	2005 Est.
(In billions of dong)					
Gross Domestic Product	481,295	535,762	613,443	715,307	837,858
State	184,837	205,652	239,736	279,704	321,942
(excluding state management) 2/	172,053	191,836	223,060	260,643	...
Nonstate	296,458	330,110	373,707	435,603	515,916
Agriculture	111,858	123,383	138,285	155,993	175,048
State	4,435	4,770	5,040	...	...
Nonstate	107,423	118,613	127,153	...	...
Industry and construction	183,515	206,197	242,126	287,616	343,807
State	80,912	92,149	108,043	...	..
Nonstate	102,603	114,048	133,890	...	...
Services	185,922	206,182	233,032	271,698	319,003
State	99,490	108,732	123,582	...	...
(excluding state management) 2/	86,706	94,916	106,907	...	...
Nonstate	86,432	97,450	107,878	...	...
Wholesale and retail trade	67,788	75,617	83,297	96,995	113,768
Hotels and restaurants	15,412	17,154	18,472	22,529	29,329
Transport, storage and communication	19,431	21,095	24,725	30,402	36,629
Financial intermediation	8,762	9,763	10,858	12,737	15,072
Scientific activities and technology	2,646	3,009	3,694	4,315	5,247
Real estate services	21,589	24,452	27,287	31,304	33,620
Public administration, defense, and compulsory social security	12,784	13,816	16,676	19,061	23,038
Education and training	16,245	18,071	21,403	23,335	26,948
Health and social work	6,417	7,057	8,865	10,851	12,412
Other services	14,848	16,148	17,755	20,169	22,940
(In percent of GDP)					
State sector	38.4	38.4	39.1	39.1	38.4
(excluding state management) 2/	35.7	35.8	36.4	36.4	...
Nonstate sector	61.6	61.6	60.9	60.9	61.6
Agriculture	23.2	23.0	22.5	21.8	20.9
State	0.9	0.9	0.8	...	...
Nonstate	22.3	22.1	20.7	...	...
Industry and construction	38.1	38.5	39.5	40.2	41.0
State	16.8	17.2	17.6	...	...
Nonstate	21.3	21.3	21.8	...	...
Services	38.6	38.5	38.0	38.0	38.1
State	20.7	20.3	20.1	...	...
(excluding state management) 2/	18.0	17.7	17.4	...	...
Nonstate	18.0	18.2	17.6	...	...
Wholesale and retail trade	14.1	14.1	13.6	13.6	13.6
Hotels and restaurants	3.2	3.2	3.0	3.1	3.5
Transport, storage and communication	4.0	3.9	4.0	4.3	4.4
Financial intermediation	1.8	1.8	1.8	1.8	1.8
Scientific activities and technology	0.5	0.6	0.6	0.6	0.6
Real estate services	4.5	4.6	4.4	4.4	4.0
Public administration., defense, and compulsory social security	2.7	2.6	2.7	2.7	2.7
Education and training	3.4	3.4	3.5	3.3	3.2
Health and social work	1.3	1.3	1.4	1.5	1.5
Other services	3.1	3.0	2.9	2.8	2.7

Source: General Statistics 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, 2001–05 1/

	2001	2002	2003	2004	2005 Est.
(In billions of dong, at 1994 constant prices)					
Agriculture, forestry, and fishery	65,618	68,352	70,827	73,917	76,905
Agriculture	55,613	57,912	59,761	62,107	64,033
Forestry	2,556	2,568	2,589	2,610	2,640
Fishery	7,449	7,872	8,477	9,200	10,232
Industry	106,986	117,125	129,399	142,621	157,808
Mining and quarrying	19,185	19,396	20,611	22,437	22,643
Manufacturing	57,335	63,983	71,363	79,116	89,514
Electricity, gas, and water supply	7,173	7,992	8,944	10,015	11,241
Construction	23,293	25,755	28,481	31,053	34,410
Services	119,931	127,770	136,016	145,897	158,277
Wholesale and retail trade	47,779	51,245	54,747	59,027	63,957
Hotels and restaurants	9,458	10,125	10,646	11,511	13,466
Transport, storage, and communications	11,441	12,252	12,925	13,975	15,318
Financial intermediation	6,005	6,424	6,935	7,495	8,197
Science and technology	1,749	1,909	2,044	2,196	2,368
Real estate services	12,631	13,106	13,796	14,396	14,809
State management 1/	8,439	8,768	9,228	9,773	10,477
Education and training	9,687	10,475	11,260	12,125	13,126
Health and social work	4,151	4,464	4,853	5,234	5,640
Other services	8,591	9,002	9,582	10,165	10,918
Gross Domestic Product	292,535	313,247	336,242	362,435	392,989
(Real GDP, annual percentage change)					
Agriculture, forestry, and fishery	3.0	4.2	3.6	4.4	4.0
Agriculture	2.1	4.1	3.2	3.9	3.1
Forestry	0.5	0.5	0.8	0.8	1.1
Fishery	11.5	5.7	7.7	8.5	11.2
Industry	10.4	9.5	10.5	10.2	10.6
Mining and quarrying	4.1	1.1	6.3	8.9	0.9
Manufacturing	11.3	11.6	11.5	10.9	13.1
Electricity, gas, and water supply	13.2	11.4	11.9	12.0	12.2
Construction	12.8	10.6	10.6	9.0	10.8
Services	6.1	6.5	6.5	7.3	8.5
Wholesale and retail trade	7.0	7.3	6.8	7.8	8.4
Hotels and restaurants	6.7	7.1	5.1	8.1	17.0
Transport, storage, and communications	6.6	7.1	5.5	8.1	9.6
Financial intermediation	6.3	7.0	8.0	8.1	9.4
Real estate services	3.3	3.8	5.3	4.4	2.9
State management 1/	5.2	3.9	5.2	5.9	7.2
Education and training	5.7	8.1	7.5	7.7	8.3
Health and social work	5.2	7.5	8.7	7.9	7.7
Other services	4.5	4.8	6.4	6.1	7.4
Gross Domestic Product	6.9	7.1	7.3	7.8	8.4
(GDP deflator, annual percentage change)					
Agriculture, forestry, and fishery	0.2	5.9	8.2	8.1	7.9
Agriculture	-1.7	5.5	6.8	7.7	8.0
Forestry	2.6	6.2	18.6	20.1	5.6
Fishery	7.7	7.5	10.1	4.9	5.9
Industry	2.5	2.6	6.3	7.8	8.0
Mining and quarrying	0.0	2.9	16.9	16.2	20.5
Manufacturing	4.3	3.8	2.0	4.6	5.4
Electricity, gas, and water supply	1.2	1.9	9.1	0.8	2.7
Construction	4.8	2.2	6.3	10.2	7.9
Services	2.4	4.1	6.2	8.7	8.2
Wholesale and retail trade	0.8	4.0	3.1	8.0	8.3
Hotels and restaurants	0.7	4.0	2.4	12.8	11.3
Transport, storage, and communications	5.1	1.4	11.1	13.7	9.9
Financial intermediation	1.2	4.2	3.0	8.6	8.2
Real estate services	9.0	9.2	6.0	9.9	4.4
State management 1/	0.7	4.0	14.7	7.9	12.7
Education and training	3.5	2.9	10.2	1.2	6.7
Health and social work	1.7	2.3	15.6	13.5	6.2
Other services	1.6	3.8	3.3	7.1	5.9
Gross Domestic Product	1.9	4.0	6.7	8.2	8.0

Sources: General Statistics Office; and Fund staff estimates.

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



Table 4. Vietnam: Consumer Price Inflation, 2001–06 1/  
(Index, 2001=100, unless otherwise indicated)

	Overall index		Food			Nonfood			Transport, Post, Telecom.
	Inflation 2/		Staples	Other Food	Drinks & Tobacco	Clothes, Footwear	Household Goods	Housing, Construction	
Weight (in percent)		100.0	13.1	29.6	4.5	7.6	9.2	8.2	10.1
2001 January	-0.7	100.5	102.8	100.1	100.1	100.4	99.8	99.8	101.6
February	-1.8	101.0	101.7	101.4	100.4	100.0	99.9	99.8	101.5
March	-1.5	100.2	100.4	99.7	100.6	99.8	99.7	100.1	101.2
April	-1.3	99.7	98.5	99.4	100.1	100.0	99.6	100.1	100.7
May	-0.9	99.5	97.3	99.7	100.4	100.0	99.7	100.0	100.4
June	-0.4	99.5	96.5	100.1	100.5	99.8	100.1	100.0	100.2
July	0.1	99.4	95.9	99.8	99.6	100.0	100.1	100.0	100.5
August	0.0	99.4	97.0	100.1	99.4	99.4	100.2	99.6	100.4
September	0.7	99.8	99.3	100.1	99.7	100.1	100.3	99.8	100.4
October	0.6	99.8	99.7	99.7	99.7	100.0	100.2	100.0	99.4
November	-0.1	100.0	102.5	99.7	99.8	100.1	100.2	100.4	97.0
December	0.7	101.0	108.5	100.2	99.7	100.2	100.2	100.4	96.7
Average	-0.4	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
2002 January	1.6	102.1	112.8	101.3	100.1	100.8	100.6	100.4	96.8
February	3.4	104.4	115.9	106.0	101.5	101.3	100.9	100.6	97.8
March	3.3	103.6	114.6	105.2	100.7	101.0	100.6	100.4	96.9
April	3.9	103.6	112.5	106.1	100.5	100.9	100.7	100.3	96.8
May	4.4	103.9	112.0	107.5	100.9	100.7	100.7	100.6	96.7
June	4.5	104.0	109.2	109.0	101.0	100.7	100.7	101.1	96.7
July	4.5	103.9	107.6	109.1	101.2	100.6	100.7	101.3	96.7
August	4.6	104.0	107.5	109.1	101.4	100.7	100.8	101.5	96.8
September	4.3	104.2	108.2	109.2	101.7	101.1	100.9	101.9	96.8
October	4.7	104.5	108.4	108.8	102.3	101.1	100.8	105.1	97.8
November	4.8	104.8	109.6	108.2	102.6	101.2	100.8	107.1	98.4
December	4.0	105.1	111.3	108.0	103.3	101.3	101.0	107.6	98.4
Average	4.0	104.0	110.8	107.3	101.4	101.0	100.8	102.3	97.2
2003 January	3.8	106.1	113.1	109.4	104.3	102.2	101.3	108.3	98.7
February	3.8	108.4	114.5	114.2	106.6	102.8	101.5	108.8	100.0
March	3.9	107.7	113.4	111.5	105.9	102.6	101.7	110.9	100.7
April	3.8	107.7	112.8	111.2	105.7	103.0	101.8	111.3	100.5
May	3.6	107.6	111.8	111.1	105.5	103.5	102.0	110.8	100.3
June	3.2	107.3	110.0	111.0	105.5	103.5	102.1	110.3	100.2
July	3.0	107.0	108.6	110.7	105.5	103.5	102.1	110.5	100.1
August	2.8	106.9	108.8	110.3	105.6	103.5	101.8	110.8	100.0
September	2.7	107.0	108.8	110.0	105.7	103.7	101.8	110.9	100.0
October	2.1	106.7	109.3	109.7	106.0	103.7	102.2	111.1	95.0
November	2.4	107.3	112.4	110.0	106.3	104.2	102.7	111.7	94.6
December	2.9	108.2	114.6	111.0	107.0	104.7	103.1	112.3	94.7
Average	3.2	107.3	111.5	110.9	105.8	103.4	102.0	110.6	98.8
2004 January	3.1	109.4	117.0	112.8	110.1	106.0	103.7	113.2	94.7
February	3.9	112.6	118.8	120.5	110.7	106.3	104.4	114.7	95.3
March	5.4	113.5	122.1	122.0	108.9	106.8	104.1	117.1	95.2
April	5.9	114.1	124.3	122.8	109.2	107.6	104.6	117.6	95.3
May	7.0	115.1	127.1	125.0	109.6	107.5	104.7	117.8	95.5
June	8.1	116.1	127.8	127.2	109.6	107.6	104.8	117.6	95.5
July	9.1	116.8	126.9	128.5	109.7	107.8	105.1	118.3	98.3
August	9.9	117.5	127.9	129.5	110.2	108.2	105.5	119.0	98.3
September	10.1	117.8	128.3	130.2	110.2	108.7	105.9	119.5	98.5
October	10.4	117.8	128.0	129.9	110.4	108.9	106.2	119.8	98.5
November	10.0	118.0	128.9	129.5	110.4	109.1	106.3	120.4	99.6
December	9.7	118.6	130.2	130.2	110.7	109.8	106.8	120.9	100.0
Average	7.7	115.6	125.6	125.7	110.0	107.9	105.2	118.0	97.1
2005 January	9.7	119.9	132.0	132.7	111.6	110.6	107.7	121.3	100.3
February	9.1	122.9	135.3	138.4	113.4	111.1	108.1	121.8	101.1
March	8.3	123.0	136.7	138.4	113.2	110.8	108.3	122.2	100.9
April	8.4	123.7	137.4	139.2	113.4	111.1	108.7	123.6	102.4
May	8.0	124.4	137.7	140.3	114.4	111.5	109.0	124.6	102.8
June	7.6	124.8	136.9	141.5	114.2	111.8	109.4	124.6	102.9
July	7.4	125.4	136.1	141.8	114.4	112.1	109.7	126.7	105.0
August	7.2	125.9	136.1	142.3	114.8	112.8	110.3	127.4	106.0
September	7.7	126.9	136.5	142.9	114.8	113.5	110.6	129.6	110.1
October	8.2	127.5	137.3	143.4	115.3	114.0	111.1	131.0	110.4
November	8.5	128.0	138.8	143.5	115.6	114.5	111.4	131.9	110.6
December 3/	8.8	129.1	140.5	145.9	116.1	115.2	112.0	132.7	109.4
Average	8.3	125.1	136.8	140.9	114.3	112.4	109.7	126.5	105.2
2006 January	8.9	130.6	143.5	148.0	117.5	116.3	112.6	133.8	109.5
February	8.5	133.4	146.0	153.6	119.2	117.3	113.3	134.8	110.4
March	7.9	132.7	146.2	151.8	118.7	117.6	113.7	135.0	109.7
April	7.4	132.9	146.6	152.1	118.7	117.8	114.2	134.6	109.8
May	7.5	133.8	147.1	152.2	119.2	118.3	114.8	135.8	113.0
June	7.6	134.3	147.4	152.8	119.5	118.8	115.6	137.2	113.1
July	7.5	134.8	148.0	153.6	120.3	119.1	116.0	138.2	113.3
Average	7.9	133.2	146.4	152.0	119.0	117.9	114.3	135.6	111.3

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

1/ Beginning in May 2006, the weights and composition of the basket were changed. Earlier data have been re-weighted based on the new CPI weights.

2/ Year-on-year percentage change.

3/ Staff estimate of overall rate of inflation as of December 2005 (8.8 percent) differs from GSO estimate (8.4 percent) owing to GSO's utilization of rounding function.

Table 5. Vietnam: Gross Value of Agricultural Production at Constant Prices, 2001–05

	2001	2002	2003	2004	2005 Est.
(In billions of dong, at constant 1994 prices)					
Total	112,189	119,260	124,693	129,861	134,008
Food crops	69,798	75,814	77,611	80,810	82,225
Paddy and other cereals	55,066	59,619	61,029	63,621	63,690
Vegetables and beans	6,844	7,771	8,030	8,284	8,937
Fruits	6,402	6,895	7,017	7,355	8,008
Other	1,486	1,529	1,535	1,551	1,590
Industrial crops	23,109	22,247	24,175	25,612	25,615
Animal husbandry	19,282	21,200	22,907	23,439	26,168
(In percent of total production)					
Food crops	62.2	63.6	62.2	62.2	61.4
Paddy and other cereals	49.1	50.0	48.9	49.0	47.5
Vegetables and beans	6.1	6.5	6.4	6.4	6.7
Fruits	5.7	5.8	5.6	5.7	6.0
Other	1.3	1.3	1.2	1.2	1.2
Industrial crops	20.6	18.7	19.4	19.7	19.1
Animal husbandry	17.2	17.8	18.4	18.0	19.5
(Annual percentage change)					
Total	2.6	6.3	4.6	4.1	3.2
Food crops	1.0	8.6	2.4	4.1	1.8
Paddy and other cereals	-0.2	8.3	2.4	4.2	0.1
Vegetables and beans	8.1	13.5	3.3	3.2	7.9
Fruits	4.8	7.7	1.8	4.8	8.9
Other	0.7	2.9	0.4	1.0	2.5
Industrial crops	6.1	-3.7	8.7	5.9	0.0
Animal husbandry	4.2	9.9	8.1	2.3	11.6

Source: General Statistics Office.

Table 6. Vietnam: Production of Food Staples, 2001–05

	2001	2002	2003	2004	2005 Est.
(In thousands of tons)					
Total production	34,273	36,961	37,707	39,581	39,549
By product					
Rice paddy	32,108	34,447	34,569	36,149	35,791
Spring crop	15,474	16,720	16,823	17,078	17,332
Autumn crop	8,328	9,189	9,401	10,431	10,415
Winter crop	8,306	8,539	8,345	8,640	8,044
Other staples (gross output)	7,325	8,653	10,022	10,764	11,863
Maize	2,162	2,511	3,136	3,431	3,756
Sweet potato	1,654	1,704	1,577	1,512	1,461
Cassava	3,509	4,438	5,309	5,821	6,646
By region					
North	13,277	14,082	14,234	15,000	14,359
South	20,996	22,879	23,473	24,581	25,190
(Annual percentage change)					
Total production	-0.8	7.8	2.0	5.0	-0.1
Rice paddy	-1.3	7.3	0.4	4.6	-1.0
Spring crop	-0.6	8.0	0.6	1.5	1.5
Autumn crop	-3.4	10.3	2.3	11.0	-0.2
Winter crop	-0.3	2.8	-2.3	3.5	-6.9
Other staples	30.7	18.1	15.8	7.4	10.2
Maize	7.8	16.2	24.9	9.4	9.5
Sweet potato	2.7	3.0	-7.4	-4.1	-3.4
Cassava	76.7	26.5	19.6	9.6	14.2
(In thousands of hectares)					
Total area cultivated	8,225	8,323	8,367	8,438	8,371
By product					
Rice paddy	7,493	7,504	7,452	7,445	7,326
Spring crop	3,057	3,033	3,023	2,979	2,942
Autumn crop	2,211	2,294	2,320	2,366	2,349
Winter crop	2,225	2,178	2,109	2,101	2,036
Other staples	1,267	1,391	1,505	1,582	1,655
Maize	730	816	913	991	1,043
Sweet potato	245	238	220	202	188
Cassava	292	337	372	389	424
By region					
North	3,052	3,077	3,110	3,136	3,131
South	5,173	5,245	5,256	5,302	5,241
Yield	(In metric tons per hectare)				
By product					
Rice paddy	4.3	4.6	4.6	4.9	4.9
Spring crop	5.1	5.5	5.6	5.7	5.9
Autumn crop	3.8	4.0	4.1	4.4	4.4
Winter crop	3.7	3.9	4.0	4.1	4.0
Other staples	5.8	6.2	6.7	6.8	7.2
Maize	3.0	3.1	3.4	3.5	3.6
Sweet potato	6.8	7.2	7.2	7.5	7.8
Cassava	12.0	13.2	14.3	15.0	15.7
By region					
North	4.4	4.6	4.6	4.8	4.6
South	4.1	4.4	4.5	4.6	4.8
Per capita production					
Total staples (in metric tons per capita)	0.4	0.5	0.5	0.5	0.5
Rice	0.4	0.4	0.4	0.4	0.4
Other staples (maize)	0.0	0.0	0.0	0.0	0.0
(in percent of total staples production)	6.1	6.8	8.3	8.7	9.5
Total staples (1994 = 100)	138.9	149.8	152.8	160.4	160.3
Rice	136.5	146.4	146.9	153.6	152.1
Other staples (maize)	189.0	219.5	274.2	299.9	328.4
Total staples (annual percentage change)	-0.8	7.8	2.0	5.0	-0.1
Rice	-1.3	7.3	0.4	4.6	-1.0
Other staples (maize)	7.8	16.2	24.9	9.4	9.5

Sources: Ministry of Agriculture; General Statistics Office; and Fund staff estimates.

Table 7. Vietnam: Industrial Crop Production and Livestock, 2001–05

	2001	2002	2003	2004	2005 Est.
(In thousands of metric tons)					
Production of annual crops					
Cotton	34	40	35	28	29
Jute	15	20	12	13	12
Rush	65	88	96	90	81
Sugarcane	14,657	17,120	16,855	15,649	14,731
Peanuts	363	400	406	469	486
Soybeans	174	206	220	246	292
Tobacco	32	33	32	23	26
Production of perennial crops					
Tea	340	424	449	514	534
Coffee	841	700	794	836	768
Rubber	313	298	364	419	469
Coconut	892	915	893	960	972
Pepper	44	47	69	73	77
(Annual percentage change)					
Cotton	78.7	19.0	-12.2	-20.2	3.2
Jute	29.2	39.7	-39.2	1.6	-7.1
Rush	5.0	36.6	8.7	-6.3	-10.4
Sugarcane	-2.6	16.8	-1.5	-7.2	-5.9
Peanuts	2.2	10.3	1.4	15.5	3.5
Soybeans	16.3	18.4	6.9	11.9	18.5
Tobacco	18.1	3.8	-4.2	-26.4	10.7
Tea	8.1	24.7	5.9	14.5	4.0
Coffee	4.7	-16.8	13.5	5.3	-8.2
Rubber	7.5	-4.6	22.1	15.3	11.8
(In thousands of hectares)					
Area cultivated of annual crops	786	846	835	857	860
Of which:					
Cotton	28	34	28	28	23
Jute	8	10	5	5	5
Rush	10	12	14	13	12
Mulberry					
Sugarcane	291	320	313	286	266
Peanuts	245	247	244	264	270
Soybeans	140	159	166	184	204
Tobacco	24	27	23	16	17
Area cultivated of perennial crops	1,476	1,492	1,511	1,554	1,593
Of which:					
Tea	98	109	116	121	118
Coffee	565	522	510	497	491
Rubber	416	429	441	454	480
Coconut	156	140	134	133	132
Pepper	36	48	51	51.0	49
(In output per hectare, in metric tons)					
Cotton	1.2	1.2	1.3	1.0	1.3
Jute	1.9	2.1	2.5	2.6	2.2
Rush	6.6	7.2	6.9	6.9	6.6
Sugarcane	50.4	53.5	53.8	54.7	55.3
Peanut	1.5	1.6	1.7	1.8	1.8
Soybeans	1.2	1.3	1.3	1.3	1.4
Tobacco	1.3	1.2	1.4	1.4	1.6
Tea	3.5	3.9	3.9	4.3	4.5
Coffee	1.5	1.3	1.6	1.7	1.6
Rubber	0.8	0.7	0.8	0.9	1.0
(In millions of heads)					
Livestock					
Buffalo	2.8	2.8	2.8	2.9	2.9
Cattle	3.9	4.1	4.4	4.9	5.5
Pigs (over two months old)	21.8	23.2	24.9	26.1	27.4
Poultry	218.1	233.3	254.6	218.2	219.9

Sources: Ministry of Agriculture and Forestry; and General Statistics Office.

Table 8. Vietnam: Gross Value of Industrial Production at Constant Prices, 2001–05 1/

	2001	2002	2003	2004	2005 Est.
(In trillions of dong, at constant 1994 prices)					
Mining	29.1	30.3	32.8	37.5	38.0
Coal	2.7	3.2	3.7	4.8	6.0
Oil and gas	23.8	23.8	25.1	28.4	27.1
Metal ores	0.2	0.3	0.3	0.5	0.7
Stone and other mining	2.4	3.0	3.6	3.8	4.2
Manufacturing	183.5	213.6	252.9	296.3	354.0
Food and beverages	50.4	56.1	64.6	74.7	87.3
Cigarettes and tobacco	6.7	7.7	9.2	10.2	10.7
Textiles and garments	17.5	20.5	24.7	29.4	35.2
Textile	10.6	12.3	14.2	16.6	19.6
Garments	6.9	8.2	10.5	12.8	15.5
Leather tanning and processing	9.5	11.1	13.5	16.0	19.1
Wood and paper products	8.5	9.4	11.1	13.7	16.4
Wood products	3.9	4.5	5.5	6.6	7.8
Paper	4.6	4.9	5.7	7.1	8.6
Printing, copying, publishing	2.5	2.9	3.5	3.8	3.9
Chemical and petroleum products	13.2	15.0	16.6	19.5	22.7
Coke and petroleum	0.3	0.3	0.3	0.4	0.5
Chemicals	12.9	14.7	16.3	19.0	22.2
Rubber and plastics	8.1	9.7	11.3	15.2	19.6
Nonmetallic products	21.6	25.9	29.9	33.5	38.0
Metal products	13.9	17.0	21.1	24.2	29.3
Metallic products	6.8	8.5	10.4	11.2	13.6
Products made of metal	7.1	8.5	10.6	13.0	15.6
Machinery and equipment	4.4	4.7	6.2	7.2	8.8
Computer and office equipment	1.0	1.0	1.5	1.8	2.3
Other machinery and equipment	3.4	3.7	4.6	5.4	6.4
Electric and electronic products	11.0	13.2	15.2	17.7	21.8
Radio, TV, telecommunication equipment	5.4	6.2	7.2	8.0	9.4
Medical instruments	0.5	0.5	0.6	0.7	0.8
Other electric and electronic products	5.2	6.5	7.5	9.1	11.5
Vehicles and transport equipment	11.4	14.3	18.0	20.9	27.3
Assembling and repairing of motor vehicles	4.3	5.8	8.3	8.7	10.7
Transport equipment	7.1	8.5	9.7	12.2	16.6
Furniture and other	4.9	6.1	8.0	10.4	13.9
Furniture	4.8	6.1	7.8	10.2	13.6
Other	0.2	0.2	0.2	0.3	0.3
Electricity, gas, and water	14.8	17.0	19.4	21.9	24.9
Electricity and gas	13.6	15.7	18.1	20.4	23.3
Water supply	1.2	1.3	1.4	1.5	1.6
Total	227.4	260.9	305.1	355.6	416.9
(Annual percentage change)					
Mining	6.7	4.2	8.1	14.4	1.4
Oil and gas	4.7	0.1	5.6	13.0	-4.5
Manufacturing	16.1	16.4	18.4	17.2	19.5
Food and beverages	15.4	11.3	15.2	15.7	16.9
Textiles and garments	8.8	17.0	20.5	19.2	19.5
Metal products	19.0	22.5	23.8	14.8	21.0
Electric and electronic products	30.7	19.6	15.2	16.3	23.2
Vehicles and transport equipment	17.6	26.3	25.4	16.0	30.9
Electricity, gas, and water	14.3	15.4	14.1	12.5	14.1
Total	14.7	14.7	16.9	16.6	17.2

Source: General Statistics 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, 2001–05 1/

	2001	2002	2003	2004	2005 Est.
(In billions of dong, at constant 1994 prices)					
Total industrial production	227,342	261,092	305,080	355,624	416,863
State sector	93,434	105,119	117,637	131,655	143,070
Central	62,119	69,640	80,917	92,896	105,086
Local	31,315	35,479	36,720	38,759	37,984
Nonstate sector	53,647	63,474	78,292	95,785	118,867
Cooperatives	1,575	1,668	1,770	1,893	2,048
Private and mixed	27,116	34,173	46,422	60,811	80,099
Household	24,956	27,633	30,101	33,081	36,720
Foreign invested sector	80,261	92,499	109,152	128,184	154,926
Of which: oil and gas	23,766	23,817	25,132	28,403	27,112
(excluding oil and gas)	56,495	68,682	84,020	99,781	127,814
(In percent of total industrial production)					
State sector	41.1	40.3	38.6	37.0	34.3
Central	27.3	26.7	26.5	26.1	25.2
Local	13.8	13.6	12.0	10.9	9.1
Nonstate sector	23.6	24.3	25.7	26.9	28.5
Cooperatives	0.7	0.6	0.6	0.5	0.5
Private and mixed	11.9	13.1	15.2	17.1	19.2
Household	11.0	10.6	9.9	9.3	8.8
Foreign invested sector	35.3	35.4	35.8	36.0	37.2
(excluding oil and gas)	24.9	26.3	27.5	28.1	30.7
(Annual percentage change)					
Total industrial production	14.6	14.8	16.8	16.6	17.2
State sector	12.7	12.5	11.9	11.9	8.7
Central	13.0	12.1	16.2	14.8	13.1
Local	12.1	13.3	3.5	5.6	-2.0
Nonstate sector	21.5	18.3	23.3	22.3	24.1
Cooperatives	18.1	5.9	6.1	7.0	8.2
Private and mixed	39.9	26.0	35.8	31.0	31.7
Household	6.5	10.7	8.9	9.9	11.0
Foreign invested sector	12.6	15.2	18.0	17.4	20.9
(excluding oil and gas)	16.4	21.6	22.3	18.8	28.1

Sources: General Statistics Office; and Fund 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, 2001–05

	2001	2002	2003	2004	2005 Est.
(In thousands of persons, unless otherwise indicated)					
Total population	78,686	79,727	80,902	82,032	83,120
(annual percentage change)	1.4	1.3	1.5	1.4	1.3
Urban	19,469	20,022	20,869	21,737	22,419
(annual percentage change)	3.7	2.8	4.2	4.2	3.1
Rural	59,217	59,705	60,033	60,295	60,701
(annual percentage change)	0.6	0.8	0.5	0.4	0.7
Total employment	38,563	39,508	40,574	41,586	42,709
Unemployment rate 1/	6.3	6.0	5.8	5.6	5.3
(In percent of total population)					
Urban 2/	24.7	25.1	25.8	26.5	27.0
Rural 2/	75.3	74.9	74.2	73.5	73.0
Female	49.2	49.2	49.1	49.1	49.1
Male	50.8	50.8	50.9	50.9	50.9
Age under 15	31.3	30.3	29.3	28.0	27.1
Age 15-59	60.2	61.1	61.9	63.0	63.9
Age 60 and over	8.5	8.7	8.8	9.0	9.0
Total employment	49.0	49.6	50.2	50.7	51.4
(In thousands of persons)					
Total employment	38,563	39,508	40,574	41,586	42,709
Nonstate sector	34,959	35,757	36,538	37,494	38,582
State sector 3/	3,604	3,751	4,036	4,092	4,127
Central	1,499	1,569	1,628	1,662	1,683
Local	2,105	2,181	2,408	2,430	2,444
(In percent of total employment)					
Nonstate sector	90.7	90.5	90.1	90.2	90.3
State sector	9.3	9.5	9.9	9.8	9.7
Central	3.9	4.0	4.0	4.0	3.9
Local	5.5	5.5	5.9	5.8	5.7
(Annual percentage change)					
Total employment	2.5	2.5	2.7	2.5	2.7
Nonstate sector	2.5	2.3	2.2	2.6	2.9
State sector	2.9	4.1	7.6	1.4	0.9
Central	3.9	4.7	3.8	2.1	1.3
Local	2.2	3.6	10.4	0.9	0.6

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

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

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

3/ As reported by GSO.

Table 11. Vietnam: Total and Nonstate Employment by Sector, 2001–05

	2001	2002	2003	2004	2005 Est.
<b>1. State and nonstate employment</b>					
(In thousands of persons)					
Total employment	38,563	39,508	40,574	41,586	42,709
Agriculture, fisheries, and forestry	24,468	24,456	24,443	24,431	24,257
Industry and construction	5,552	6,085	6,671	7,217	7,636
Industry 1/	4,260	4,558	4,982	5,294	5,496
Construction	1,292	1,526	1,688	1,923	2,140
Trade, transport, and communications	5,242	5,464	5,726	5,969	6,445
Trade	4,063	4,281	4,532	4,767	5,192
Transport and communications	1,180	1,183	1,194	1,202	1,253
Education, culture, health	1,416	1,497	1,584	1,657	1,796
Other 2/	1,884	2,006	2,149	2,313	2,575
(Annual percentage change)					
Total employment	2.5	2.5	2.7	2.5	2.7
Agriculture, fisheries, and forestry	-0.1	-0.1	-0.1	-0.1	-0.7
Industry and construction	12.6	9.6	9.6	8.2	5.8
Trade, transport, and communications	3.4	4.2	4.8	4.2	8.0
Education, culture, health	4.7	5.7	5.8	4.6	8.3
Other 2/	6.2	6.5	7.2	7.6	11.4
(In percent of total employment)					
Agriculture, fisheries, and forestry	63.5	61.9	60.2	58.7	56.8
Industry and construction	14.4	15.4	16.4	17.4	17.9
Trade, transport, and communications	13.6	13.8	14.1	14.4	15.1
Education, culture, health	3.7	3.8	3.9	4.0	4.2
Other 2/	4.9	5.1	5.3	5.6	6.0
(In thousands of dong at 1994 prices)					
Total output per worker	7,586	7,929	8,287	8,707	9,202
Agriculture, fisheries, and forestry	2,593	2,913	3,013	3,001	3,170
Industry and construction	19,270	19,249	19,399	19,760	20,666
Trade, transport, and communications	11,297	11,621	11,818	12,282	12,300
Other 2/	18,396	18,347	18,306	18,355	18,075
(Annual percentage change)					
Total output per worker	4.3	4.5	4.5	5.1	5.7
Agriculture, fisheries, and forestry	1.9	12.3	3.4	-0.4	5.7
Industry and construction	-2.0	-0.1	0.8	1.9	4.6
Trade, transport, and communications	3.5	2.9	1.7	3.9	0.1
<b>2. Nonstate employment 3/</b>					
(In thousands of persons)					
Total nonstate employment	34,959	35,757	36,538	37,495	38,582
Agriculture, fisheries, and forestry	24,244	24,233	24,216	24,212	24,038
Industry and construction	4,251	4,698	5,198	5,776	6,204
Industry 1/	3,389	3,651	4,050	4,360	4,587
Construction	862	1,047	1,148	1,416	1,617
Trade, transport, and communications	4,851	5,070	5,374	5,620	6,120
Trade	3,873	4,087	4,372	4,616	5,054
Transport and communications	978	983	1,002	1,005	1,065
Education, culture, health	254	292	321	318	426
Other 2/	1,358	1,464	1,430	1,568	1,795
(Annual percentage change)					
Total nonstate employment	2.5	2.3	2.2	2.6	2.9
Agriculture, fisheries, and forestry	0.0	0.0	-0.1	0.0	-0.7
Industry and construction	15.9	10.5	10.6	11.1	7.4
Trade, transport, and communications	3.6	4.5	6.0	4.6	8.9
Education, culture, health	...	5.6	14.9	-0.9	33.8
Other 2/	7.4	7.8	-2.4	9.7	14.4
(In percent of total nonstate employment)					
Agriculture, fisheries, and forestry	69.3	67.8	66.3	64.6	62.3
Industry and construction	12.2	13.1	14.2	15.4	16.1
Trade, transport, and communications	13.9	14.2	14.7	15.0	15.9
Education, culture, health	0.7	0.8	0.9	0.8	1.1
Other 2/	3.9	4.1	3.9	4.2	4.7

Sources: General Statistics Office; and Ministry of Labor, Invalids and Social Affairs (MOLISA); and Fund staff estimates.

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

2/ Includes unclassified workers.

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



Table 12. Vietnam: Employment in the State Sector, 2001–05

	2001	2002	2003	2004	2005 Est.
(In thousands of persons)					
Total employment	3,604	3,751	4,035	4,108	4,127
Agriculture, forestry and fisheries	225	223	227	221	219
Industry and construction	1,301	1,387	1,473	1,461	1,432
Industry	871	908	933	930	909
Construction	429	479	540	531	523
Trade, transport, and communications	391	394	353	348	326
Trade	190	194	161	151	138
Transport and communications	202	200	192	197	188
Education, health, science, and arts	1,195	1,239	1,292	1,337	1,371
Education	936	971	1,018	1,050	1,076
Science	33	34	29	29	29
Culture, arts, and sport	36	37	39	40	43
Public health	190	197	206	218	223
Other	492	508	691	741	779
(In percent of total state sector employment)					
Agriculture and forestry	6.2	5.9	5.6	5.4	5.3
Industry and construction	36.1	37.0	36.5	35.6	34.7
Trade, transport, and communications	10.9	10.5	8.7	8.5	7.9
Education, health, science, and arts	33.2	33.0	32.0	32.5	33.2
Other	13.7	13.5	17.1	18.0	18.9
(Annual percentage change)					
Total employment	2.9	4.1	7.6	1.8	0.5
Agriculture and forestry	-0.4	-0.8	1.8	-2.6	-0.9
Industry and construction	3.0	6.6	6.2	-0.8	-2.0
Industry	0.9	4.2	2.8	-0.3	-2.3
Construction	7.6	11.6	12.7	-1.6	-1.5
Trade, transport, and communications	0.1	0.7	-10.5	-1.3	-6.3
Trade	-0.8	2.1	-17.1	-5.9	-8.6
Transport	1.0	-0.5	-4.1	2.6	-4.6
Education, health, science, and arts	4.3	3.7	4.3	3.4	2.2
Science	-1.8	1.5	-14.5	0.0	0.0
Education	5.3	3.7	4.9	3.1	2.5
Culture, arts, and sport	-0.3	3.9	3.7	1.8	7.5
Public health	1.6	3.8	4.7	5.7	2.3
Other	3.3	3.1	36.1	7.3	5.1
(In thousands of dong per month)					
Average nominal wage 1/	954	1,069	1,247	1,421	1,651
Industry	1548	1703	1925	1,867	2,198
Construction	961	1,104	1,261	1,361	1,960
Agriculture, forestry	590	740	988	1,250	1,031
Transportation	1,667	1,910	2,278	2,433	2,345
Trade	962	1,127	1,323	1,468	1,653
Education	725	783	1,016	1,115	1,293
Science	778	895	1,051	1,165	1,597
Culture, arts, and sports	718	815	994	1,082	1,321
Public health	725	797	950	1,024	1,228
State management	659	691	797	898	1,093
Financial intermediation	1,804	1,935	2,321	2,791	2,746
(Annual percentage change)					
Average nominal wage growth	12.3	12.0	16.6	14.0	16.2
Industry	17.1	10.0	13.0	-3.0	17.7
Construction	11.7	14.9	14.2	7.9	44.0
Agriculture	-13.3	25.5	33.4	26.6	-17.5
Transportation	9.3	14.6	19.2	6.8	-3.6
Trade	8.8	17.2	17.3	11.0	12.6
Science	12.3	15.1	29.6	9.7	16.0
Education	17.9	8.0	17.3	10.8	37.1
Culture, arts, and sports	18.3	13.4	22.0	8.9	22.1
Public health	16.5	9.8	19.3	7.8	20.0
State management	13.5	5.0	15.3	12.7	21.7
Financial intermediation	24.1	7.2	20.0	20.2	-1.6
(Annual percentage change)					
Average real wage growth 2/	12.8	7.7	13.1	5.8	7.3
Industry	17.5	5.8	9.6	-10.0	8.7
Construction	12.1	10.4	10.7	0.2	33.0
Agriculture	-12.9	20.7	29.3	17.5	-23.8
Transportation	9.7	10.2	15.6	-0.8	-11.0
Trade	9.2	12.7	13.7	3.0	4.0
Education	18.4	3.9	25.6	1.9	7.1
Science	12.8	10.6	13.7	2.9	26.6
Culture, arts, and sports	18.8	9.1	18.3	1.1	12.7
Public health	17.0	5.6	15.6	0.1	10.8
State management	13.9	0.9	11.8	4.6	12.4
Financial intermediation	24.5	3.1	16.3	11.6	-9.2
Consumer price inflation	-0.4	4.0	3.2	7.7	8.3

Sources: General Statistics Office; and Fund 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, 2001–06

	2001	2002	2003	2004	2005 Prel.	2006 Budget 1/
	(In trillions of dong)					
Revenue and grants 2/	103.9	121.7	153.0	191.3	217.1	237.9
Oil revenues 3/	35.7	36.3	43.1	56.9	73.4	74.2
Nonoil revenue	66.2	83.1	106.9	131.6	141.4	161.2
Tax revenue	55.6	69.4	84.4	97.6	113.4	...
Nontax revenue	10.6	13.7	22.5	34.0	28.0	...
Grants	2.0	2.3	3.0	2.9	2.3	2.5
Expenditure	117.3	129.4	160.4	184.8	226.9	263.0
Current Expenditure 4/	77.0	84.2	102.5	121.2	155.0	181.4
Wages and salaries 5/	17.5	18.5	22.9	34.5	65.0	76.1
Interest payments	4.5	5.3	6.4	7.2	7.0	8.8
Other current expenditure	55.1	60.4	73.3	79.5	83.0	96.6
Capital Expenditure	40.2	45.2	57.8	63.6	72.0	81.6
Official budget balance (authorities' definition)	-13.4	-7.7	-7.4	6.5	-9.9	-25.1
Off-budget investment and net-lending 6/	10.6	17.7	32.1	26.4	39.4	45.3
Overall fiscal balance (IMF definition)	-24.0	-25.4	-39.5	-19.8	-49.3	-70.4
Financing	24.0	25.4	39.5	19.8	49.3	70.4
Domestic (net)	14.2	15.3	25.6	6.5	27.4	52.8
Foreign (net)	9.8	10.2	13.8	13.3	21.8	17.7
	(In percent of GDP)					
Revenue and grants 2/	21.6	22.7	24.9	26.7	25.9	24.5
Oil revenues 3/	7.4	6.8	7.0	7.9	8.8	7.6
Nonoil revenue	13.8	15.5	17.4	18.4	16.9	16.6
Tax revenue	11.6	13.0	13.8	13.6	13.5	...
Nontax revenue	2.2	2.6	3.7	4.8	3.3	...
Grants	0.4	0.4	0.5	0.4	0.3	0.3
Expenditure	24.4	24.2	26.1	25.8	27.1	27.1
Current Expenditure 4/	16.0	15.7	16.7	16.9	18.5	18.7
Wages and salaries 5/	3.6	3.4	3.7	4.8	7.8	7.8
Interest payments	0.9	1.0	1.0	1.0	0.8	0.9
Other current expenditure	11.5	11.3	11.9	11.1	9.9	10.0
Capital Expenditure	8.4	8.4	9.4	8.9	8.6	8.4
Official budget balance (authorities' definition)	-2.8	-1.4	-1.2	0.9	-1.2	-2.6
Off-budget investment and net-lending 6/	2.2	3.3	5.2	3.7	4.7	4.7
Overall fiscal balance (IMF definition)	-5.0	-4.7	-6.4	-2.8	-5.9	-7.3
Financing	5.0	4.7	6.4	2.8	5.9	7.3
Domestic (net)	2.9	2.9	4.2	0.9	3.3	5.4
Foreign (net)	2.0	1.9	2.3	1.9	2.6	1.8

Sources: Ministry of Finance; and Fund staff estimates.

1/ Budget refers to the 2006 budget approved by the National Assembly, with revenues based on an oil price of US\$56.70 and the contingency included in expenditure. Off-budget expenditure comprises off-budget investment approved by the Prime Minister and contained in the SEDP; local investment financed via municipal  
2/ Staff's adjusted figures from 2003 onward to exclude financing at the local level, which is contained in official  
3/ Staff estimates. Includes revenue from crude oil as well as import and domestic taxes related to petroleum products.

4/ Current expenditure includes subsidies to oil traders to cover less-than-complete pass-through of international prices to domestic prices. The 2006 budget likely underestimates subsidies due to the rise in

5/ Staff estimates, as no official data are available.

6/ Includes investment financed through the issuance of infrastructure and education bonds; SOCB recapitalization bonds issued in 2002-04; domestic and ODA-financed on-lending; and sovereign issuance for

Table 14. Vietnam: Government Revenues, 2001–06

	2001	2002	2003	2004	2005 Est.	2006 Budget
(In trillions of dong)						
Total revenue and grants	103.9	121.7	153.0	191.3	217.1	237.9
Tax revenue	75.9	90.2	118.5	138.2	166.2	189.9
Corporate income tax	25.8	29.3	47.4	57.0	71.7	82.1
Individual income tax	2.1	2.3	3.0	3.5	4.2	5.1
Capital user charge	1.7	0.0	0.0	0.0	0.0	0.0
Land and housing tax	0.3	0.3	0.4	0.4	0.5	0.5
License tax	0.4	0.4	0.8	0.7	0.7	0.7
Tax on the transfer of properties	1.2	1.3	1.8	2.6	2.8	3.2
Tax on land use right	0.3	0.3	0.4	0.6	1.0	0.8
Value added tax (VAT)	19.3	25.9	33.1	38.8	45.7	57.1
Excises	6.2	7.3	8.9	12.8	15.7	18.2
Slaughter tax	0.0	0.0	0.0	0.0	0.0	0.0
Agricultural tax	0.8	0.8	0.2	0.1	0.1	0.1
Import and export taxes	17.5	21.9	22.4	21.6	23.6	22.0
Other taxes on trade	0.1	0.2	0.1	0.0	0.0	0.0
Other taxes	0.2	0.2	0.1	0.0	0.0	0.0
Nontax revenue	26.0	29.2	31.6	50.2	48.5	45.6
Fees and charges	5.1	6.0	14.6	22.0	21.0	21.9
Rental of land	0.6	0.5	0.5	1.0	1.0	0.8
Income from natural resources	8.4	8.5	9.7	17.4	21.9	18.8
Net profit after tax 1/	7.5	7.6	0.0	0.0	0.0	0.0
Capital revenues	1.0	1.1	1.1	1.3	0.9	1.1
Other	3.4	5.5	5.6	8.5	3.8	2.9
Grants	2.0	2.3	3.0	2.9	2.3	2.5
(In percent of GDP)						
Total revenue and grants	21.6	22.7	24.9	26.7	25.9	24.5
Tax revenue	15.8	16.8	19.3	19.3	19.8	19.6
Corporate income tax	5.4	5.5	7.7	8.0	8.6	8.5
Individual income tax	0.4	0.4	0.5	0.5	0.5	0.5
Capital user charge	0.4	0.0	0.0	0.0	0.0	0.0
Land and housing tax	0.1	0.1	0.1	0.1	0.1	0.1
License tax	0.1	0.1	0.1	0.1	0.1	0.1
Tax on the transfer of properties	0.2	0.2	0.3	0.4	0.3	0.3
Tax on land use right	0.1	0.1	0.1	0.1	0.1	0.1
VAT	4.0	4.8	5.4	5.4	5.5	5.9
Excises	1.3	1.4	1.4	1.8	1.9	1.9
Slaughter tax	0.0	0.0	0.0	0.0	0.0	0.0
Agricultural tax	0.2	0.1	0.0	0.0	0.0	0.0
Import and export taxes	3.6	4.1	3.6	3.0	2.8	2.3
Other taxes on trade	0.0	0.0	0.0	0.0	0.0	0.0
Other taxes	0.0	0.0	0.0	0.0	0.0	0.0
Nontax revenue	5.4	5.5	5.1	7.0	5.8	4.7
Fees and charges	1.1	1.1	2.4	3.1	2.5	2.3
Rental of land	0.1	0.1	0.1	0.1	0.1	0.1
Income from natural resources	1.7	1.6	1.6	2.4	2.6	1.9
Net profit after tax 1/	1.6	1.4	0.0	0.0	0.0	0.0
Capital revenues	0.2	0.2	0.2	0.2	0.1	0.1
Other	0.7	1.0	0.9	1.2	0.5	0.3
Grants	0.4	0.4	0.5	0.4	0.3	0.3

Sources: Ministry of Finance; and Fund staff estimates.

1/ Included under corporate income tax starting in 2003.

Table 15. Vietnam: Government Expenditures, 2001–06

	2001	2002	2003	2004	2005 Est.	2006 Budget 1/
(In trillions of dong)						
Total expenditure (cash basis, excl. off-budget)	117.3	129.4	160.4	184.8	226.9	263.0
Total current expenditure	77.0	84.2	102.5	121.2	155.0	181.4
General administrative services	8.7	8.6	11.4	15.9	16.8	15.0
Economic services	6.3	8.0	8.2	10.3	12.8	11.8
Social services	37.4	40.7	50.1	55.2	77.3	75.6
Education	12.0	13.8	17.4	20.4	29.1	29.5
Health	4.2	4.7	5.4	6.0	10.7	10.7
Social subsidies	13.4	13.2	16.5	17.3	23.6	21.5
Other	7.7	9.1	10.9	11.5	13.8	14.0
Other noninterest expenditure	20.2	21.6	26.5	32.7	41.1	70.1
Interest payments (paid)	4.5	5.3	6.4	7.2	7.0	8.8
Capital expenditure	40.2	45.2	57.8	63.6	72.0	81.6
Off-budget investment expenditure	10.6	17.7	32.1	26.4	39.4	45.3
Education bonds	0.0	0.0	2.6	0.0	2.8	2.5
Infrastructure bonds	0.0	0.0	5.0	5.0	10.6	15.5
Reform bonds (pre-2000 SOCB debt)	0.0	4.9	3.2	1.5	0.0	0.0
Municipal bonds	0.0	0.0	1.8	2.6	3.5	3.0
On-lending 2/	10.6	12.8	19.5	17.3	22.5	24.3
(In percent of GDP)						
Total expenditure (cash basis, excl. off-budget)	24.4	24.2	26.1	25.8	27.1	27.1
Total current expenditure	16.0	15.7	16.7	16.9	18.5	18.7
General administrative services	1.8	1.6	1.9	2.2	2.0	1.5
Economic services	1.3	1.5	1.3	1.4	1.5	1.2
Social services	7.8	7.6	8.2	7.7	9.2	7.8
Education	2.5	2.6	2.8	2.9	3.5	3.0
Health	0.9	0.9	0.9	0.8	1.3	1.1
Social subsidies	2.8	2.5	2.7	2.4	2.8	2.2
Other	1.6	1.7	1.8	1.6	1.7	1.4
Other noninterest expenditure	4.2	4.0	4.3	4.6	4.9	7.2
Interest payments (paid)	0.9	1.0	1.0	1.0	0.8	0.9
Capital expenditure	8.4	8.4	9.4	8.9	8.6	8.4
Off-budget investment expenditure	2.2	3.3	5.2	3.7	4.7	4.7
Education bonds	0.0	0.0	0.4	0.0	0.3	0.3
Infrastructure bonds	0.0	0.0	0.8	0.7	1.3	1.6
Reform bonds (pre-2000 SOCB debt)	0.0	0.9	0.5	0.2	0.0	0.0
Municipal bonds	0.0	0.0	0.3	0.4	0.4	0.3
Onlending 2/	2.2	2.4	3.2	2.4	2.7	2.5

Sources: Ministry of Finance; and Fund staff estimates.

1/ Budget comprises budgeted expenditure including the contingency allocation and approved off-budget investment and on-lending.

2/ On-lending includes domestically financed (DAF/VDB), as well as externally financed operations through ODA and sovereign debt issuance.

Table 16. Vietnam: Treasury Bill and Bond Issues, 2004–06 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
2004 January	300	5.5	14,602	137	8.3	12,981	1	4,497
February	1,740	5.7	15,272	441	8.3	13,224	103	4,600
March	2,600	5.7	17,052	728	8.3	13,185	589	5,189
April	2,100	5.8	17,702	610	8.3	13,185	1,467	6,656
May	1,700	5.8	17,652	580	8.3	13,320	757	7,413
June	2,200	5.8	19,662	411	8.3	13,464	240	7,652
July	1,472	5.9	20,234	346	8.3	12,946	250	7,799
August	2,402	5.9	20,935	188	8.3	12,533	525	7,735
September	1,900	5.9	19,935	154	8.3	11,906	315	6,583
October	1,400	5.9	19,435	486	8.3	11,200	1,440	7,266
November	1,250	5.6	20,013	303	8.3	9,490	650	7,676
December	402	6.0	19,465	220	8.3	7,877	150	7,576
2005 January	600	6.0	19,765	163	8.4	7,939	173	7,224
February	1,000	6.0	19,025	401	8.4	8,104	335	7,244
March	870	6.0	17,295	409	8.4	8,273	1,340	7,144
April	350	6.1	15,545	760	8.4	8,079	940	7,434
May	1,230	6.1	15,075	148	8.4	8,225	2,167	9,451
June	1,521	6.2	14,396	298	8.4	8,235	1,764	11,042
July	1,800	6.2	14,724	248	8.4	8,295	598	11,305
August	1,600	6.3	13,922	211	8.4	8,347	1,936	11,901
September	4,250	6.3	16,272	251	8.4	8,314	2,129	13,090
October	6,300	6.3	21,172	339	8.4	8,278	890	11,813
November	1,900	6.3	21,822	560	8.4	8,611	1,378	11,427
December	700	6.3	22,121	277	8.4	8,670	1,375	12,204
2006 January	500	6.3	22,021	0	8.6	8,533	751	11,019
February	2,900	6.3	23,921	0	8.6	8,092	1,150	10,040
March	2,800	6.3	25,851	652	8.6	8,016	4,423	13,573
April	2,000	5.9	27,501	393	8.6	7,799	2,705	14,900
May	2,000	5.7	28,271	453	8.6	7,671	2,550	16,075
June	3,000	5.2	29,750	343	8.6	7,603	2,289	17,613
July	3,345	4.0	31,295	309	8.6	7,566	780	17,243

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

1/ 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, 2002-06 1/

	2002	2003	2004	2005	2006	
					Mar	June
Net foreign assets	117.4	131.4	145.9	191.1	218.4	227.6
Foreign assets	135.9	150.5	172.5	220.5	247.7	257.3
Foreign liabilities	-18.4	-19.1	-26.6	-29.4	-29.4	-29.7
Net domestic assets	211.7	279.8	386.4	499.7	521.2	555.3
Domestic credit	239.9	316.9	434.6	585.6	591.8	621.1
Net claims on government	8.8	20.1	14.5	32.5	30.7	23.5
Credit to the economy	231.1	296.7	420.0	553.1	561.1	597.6
<i>of which in foreign currency</i>	46.2	65.2	104.5	134.3	134.2	141.7
Claims on state enterprises	89.5	105.4	142.9	181.3	182.6	192.7
Claims on other sectors	141.6	191.3	277.1	371.8	378.5	404.9
Other items, net	-28.2	-37.0	-48.1	-86.0	-70.6	-65.9
Total liquidity (M2)	329.1	411.2	532.3	690.7	739.6	782.9
<i>of which: total deposits</i>	254.9	320.6	423.2	559.5	602.4	649.4
Dong liquidity	235.5	314.1	402.7	531.5	571.3	601.0
Currency outside banks	74.3	90.6	109.1	131.2	137.2	133.4
Deposits	161.3	223.6	293.6	400.3	434.1	467.6
Foreign currency deposits	93.6	97.1	129.6	159.2	168.3	181.8
(in millions of U.S. dollars)	6,093	6,220	8,235	10,027	10,575	11,395
(in percent of total liquidity)	28.4	23.6	24.3	23.0	22.8	23.2
(Annual percentage change, unless otherwise indicated)						
Net foreign assets	-0.2	11.9	11.0	39.0	44.1	51.0
Net domestic assets	30.6	32.2	38.1	29.3	29.5	28.9
Domestic credit	25.5	32.1	37.1	34.7	27.5	24.8
Credit to the economy	22.2	28.4	41.6	31.7	23.1	21.4
<i>of which in foreign currency</i>	26.6	41.0	60.3	28.5	20.1	15.6
Claims on state enterprises	12.2	17.8	35.6	26.9	19.6	17.9
Claims on other sectors	29.5	35.1	44.8	34.2	24.9	23.1
Total liquidity (M2)	17.6	24.9	29.5	29.7	33.5	34.6
<i>of which: total deposits</i>	19.4	25.8	32.0	32.2	37.0	36.8
Dong liquidity	23.2	33.4	28.2	32.0	35.8	36.3
Currency outside banks	12.0	22.0	20.4	20.2	20.1	25.0
Deposits	29.2	38.6	31.3	36.3	41.7	39.9
Foreign currency deposits	5.6	3.7	33.5	22.8	26.2	29.3
(change during year, in millions of U.S. dollars)						
(In percent, unless otherwise indicated)						
Velocity 2/	1.6	1.4	1.3	1.2	1.3	1.2
Dong velocity 2/	2.2	1.8	1.8	1.6	1.7	1.6
Money multiplier 3/	3.4	3.4	3.8	4.0	4.0	4.4
Currency/broad money (in percent)	22.6	22.0	20.5	19.0	24.8	22.9
Currency/dong deposits (in percent)	46.1	40.5	37.2	32.8	44.8	39.9
Currency/total deposits (in percent)	29.1	28.2	25.8	23.4	22.8	20.5
Foreign currency deposits/total deposits	36.7	30.3	30.6	28.5	27.9	28.0
Foreign currency loans/total loans	20.0	22.0	24.9	24.3	23.9	23.7
(In millions of U.S. dollar, unless indicated otherwise)						
Gross official international reserves (adjusted) 4/	3,692	5,620	6,314	8,557	10,185	10,925
(in weeks of next year's imports of GNFS)	7.2	8.7	8.5	9.8	...	...
(change during year, in millions of U.S. dollars)	305	1,929	694	2,243	1,628	2,368
Net foreign assets of the banking system	7,640	8,419	9,271	12,036	13,726	14,262
(change during year, in millions of U.S. dollars)	-164	778	852	2,766	1,690	2,226

Sources: State Bank of Vietnam (SBV); and Fund staff estimates.

1/ Data comprise the SBV, six state-owned commercial banks, and 79 non-state credit institutions as of end- June 2006.

2/ Velocity is measured as the ratio of GDP to end-of-period total liquidity (M2) or dong liquidity, respectively.

3/ Money multiplier is measured as the ratio of total liquidity (M2) to reserve money.

4/ Excludes foreign-currency counterpart of swap operations, government foreign-currency deposits at the SBV, and foreign-currency transactions related to the possible issuance of international bonds by the government.

Table 18. Vietnam: Balance Sheet of State Bank of Vietnam, 2002-06  
(In trillions of dong, unless otherwise indicated)

	2002	2003	2004	2005	2006	
				Dec	Mar	Jun
Net foreign assets of SBV	56.6	91.0	105.7	140.4	167.6	177.1
Foreign assets	65.2	99.5	113.4	146.7	173.7	183.3
Foreign liabilities	-8.6	-8.4	-7.7	-6.2	-6.2	-6.1
Net domestic assets	38.9	30.6	35.5	34.1	15.9	1.7
Domestic credit (net)	30.3	24.2	25.7	18.9	5.8	-5.2
Net claims on government	11.1	10.7	11.3	7.9	-4.3	-14.2
Claims on banks	19.2	13.6	14.4	11.0	10.1	9.0
Claims on enterprises	0.0	0.0	0.0	0.0	0.0	0.0
Claims on nonbank financial institutions	0.0	0.0	0.0	0.0	0.0	0.0
Other items net	8.6	6.4	9.8	15.2	10.1	6.9
Reserve money	95.5	121.6	141.2	174.6	183.5	178.8
Currency in circulation	77.3	94.9	114.1	137.4	144.3	141.3
Bankers' deposits	18.2	26.8	27.0	37.1	39.2	37.5
Memorandum items:						
Reserve money growth (annual percentage change)	12.4	27.4	16.1	23.7	29.6	30.9
Exchange rate (dong/US\$, end of period) 1/	15,368	15,608	15,739	15,875	15,910	15,957

Sources: State Bank of Vietnam; and Fund staff estimates.

1/ Interbank market rate.

Table 19. Vietnam: Consolidated Balance Sheet of Deposit Money Banks (DMBs), 2002-06 1/  
(In trillions of dong, unless otherwise indicated)

	2002	2003	2004	2005	2006	
				Dec.	Mar	Jun
Net foreign assets of DMBs	60.8	40.4	40.2	50.6	50.8	50.5
Foreign assets	70.7	51.1	59.1	73.8	74.0	74.0
Foreign liabilities	-9.9	-10.7	-18.9	-23.2	-23.2	-23.5
Net domestic assets of DMBs	194.1	280.3	383.0	508.9	551.6	599.0
Domestic credit (net) from the DMBs	228.8	306.2	423.3	577.7	596.1	635.3
Net claims on government by DMBs	-2.3	9.5	3.2	24.6	35.0	37.7
Credit to the economy by DMBs	231.1	296.7	420.0	553.1	561.1	597.6
Claims on enterprises	89.5	105.4	142.9	181.3	182.6	192.7
Claims on other sectors	141.6	191.3	277.1	371.8	378.5	404.9
Other domestic assets (net)	-34.7	-25.9	-40.3	-68.8	-44.6	-36.4
Reserves	20.2	30.8	31.6	43.0	45.7	43.3
Credit from SBV	-19.3	-14.5	-16.7	-20.9	-10.5	-10.6
Capital and reserves	-30.9	-41.7	-57.6	-65.0	-71.6	-75.0
Other items (net)	-4.7	-0.5	2.4	-25.9	-8.2	6.0
Total deposits	254.9	320.6	423.2	559.5	602.4	649.4
Dong deposits	161.3	223.6	293.6	400.3	434.1	467.6
Demand deposits	53.7	69.8	92.8	114.9	103.5	109.7
Time deposits	107.5	153.8	200.8	285.4	330.6	357.9
Foreign currency deposits	93.6	97.1	129.6	159.2	168.3	181.8
Demand deposits	86.5	92.5	123.2	152.6	161.0	172.0
Import/restricted deposits	7.1	4.6	6.4	6.6	7.3	9.8
	(Annual percentage change, unless otherwise indicated)					
Net foreign assets of DMBs	-12.0	-33.7	-0.4	25.9	63.6	65.6
Net domestic assets of DMBs	34.4	44.4	36.7	32.8	35.0	34.8
Domestic credit (net) from the DMBs	24.9	33.8	38.2	36.5	28.7	26.6
Credit to the economy by DMBs	22.2	28.4	41.6	31.7	23.1	21.4
Claims on enterprises	12.2	17.8	35.6	26.9	...	...
Claims on other sectors	29.5	35.1	44.8	34.2	...	...
Banks' reserves	9.4	52.6	2.8	35.9	78.6	53.0
Credit from SBV	8.4	-24.7	15.1	25.6	-26.1	-28.8
Capital and reserves	27.4	34.9	38.0	12.9	25.4	23.7
Total deposits	19.4	25.8	32.0	32.2	37.0	36.8
Dong deposits	29.2	38.6	31.3	36.3	41.7	39.9
Foreign currency deposits	5.6	3.7	33.5	22.8	26.2	29.3

Sources: State Bank of Vietnam (SBV); and Fund staff estimates.

1/ Data comprise six state-owned commercial banks, and 79 non-state credit institutions as of end- June 2006.



Table 20. Vietnam: Distribution of Credit, 2001–06 1/ 2/

	2001	2002	2003	2004	2005 Dec.	2006 Mar.
	(In billions of Dong)					
Total credit to the economy 3/	189,103	231,078	296,737	420,335	553,106	561,100
To state enterprises	79,745	89,500	105,400	142,900	181,306	182,600
To other sectors	109,358	141,578	191,337	277,435	371,800	378,500
Credit extended by state-owned commercial banks 4/	136,000	175,489	214,800	315,335	381,406	378,000
To state enterprises	72,900	81,600	95,700	145,800	158,006	155,600
To other sectors	63,100	93,889	119,100	169,535	223,400	222,400
Credit extended by other banks 5/	53,140	55,589	81,937	105,000	171,700	183,100
To state enterprises	6,900	7,900	9,700	16,300	23,300	27,000
To other sectors	46,200	47,689	72,237	88,700	148,400	156,100
Total dong loans 3/	152,763	184,829	231,700	317,400	418,700	427,000
To state enterprises	67,600	66,500	74,900	96,700	124,800	126,800
To other sectors	85,163	118,329	156,800	220,700	293,900	300,200
Credit extended by state-owned commercial banks 4/	117,000	149,877	177,700	234,400	302,800	303,800
To state enterprises	57,800	61,500	68,700	87,100	109,900	109,700
To other sectors	59,200	88,377	109,000	147,300	192,900	194,100
Credit extended by other banks 5/	35,800	34,952	54,000	83,000	115,900	123,200
To state enterprises	4,600	5,000	6,200	9,600	14,900	17,100
To other sectors	31,200	29,952	47,800	73,400	101,000	106,100
Total foreign currency loans 3/	36,340	46,249	65,037	102,935	134,406	134,100
To state enterprises	17,400	23,000	30,500	46,200	55,506	55,800
To other sectors	18,940	23,249	34,537	56,735	78,900	78,300
Credit extended by state-owned commercial banks 4/	19,000	25,612	37,137	61,735	78,606	74,200
To state enterprises	15,100	20,100	27,000	39,500	48,106	45,900
To other sectors	3,900	5,512	10,137	22,235	30,500	28,300
Credit extended by other banks 5/	17,340	20,637	27,900	41,200	55,800	59,900
To state enterprises	2,300	2,900	3,500	6,700	8,400	9,900
To other sectors	15,040	17,737	24,400	34,500	47,400	50,000
	(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	42.2	38.7	35.5	34.0	32.8	32.5
To other sectors	57.8	61.3	64.5	66.0	67.2	67.5
Credit extended by state-owned commercial banks 4/	71.9	75.9	72.4	75.0	69.0	67.4
To state enterprises	38.6	35.3	32.3	34.7	28.6	27.7
To other sectors	33.4	40.6	40.1	40.3	40.4	39.6
Credit extended by other banks 5/	28.1	24.1	27.6	25.0	31.0	32.6
To state enterprises	3.6	3.4	3.3	3.9	4.2	4.8
To other sectors	24.4	20.6	24.3	21.1	26.8	27.8
Total dong loans	80.8	80.0	78.1	75.5	75.7	76.1
Credit extended by state-owned commercial banks 4/	61.9	64.9	59.9	55.8	54.7	54.1
Credit extended by other banks 5/	18.9	15.1	18.2	19.7	21.0	22.0
Total foreign currency loans	19.2	20.0	21.9	24.5	24.3	23.9
Credit extended by state-owned commercial banks 4/	10.0	11.1	12.5	14.7	14.2	13.2
Credit extended by other banks 5/	9.2	8.9	9.4	9.8	10.1	10.7
	(In billions of dong)					
Total credit to the economy by sector						
Agriculture, fisheries, and forestry	50,680	65,860	87,200	124,800	163,717	164,971
Industry and construction	72,616	92,854	115,700	165,200	219,027	221,083
Industry	46,708	58,694	74,500	104,500	139,934	141,404
Construction	25,908	34,160	41,200	60,700	79,093	79,680
Trade, transportation, and communications	45,952	51,762	68,000	97,500	129,425	133,548
Trade	36,875	39,745	51,000	74,400	97,345	101,564
Transport, storage, and communications	9,077	12,017	17,000	23,100	32,080	31,984
Other services	19,855	20,602	25,837	32,800	40,929	41,523
	(In percent of total credit to the economy)					
Agriculture, fisheries, and forestry	26.8	28.5	29.4	29.7	29.6	29.4
Industry and construction	38.4	40.2	39.0	39.3	39.6	39.4
Trade, transportation, and communications	24.3	22.4	22.9	23.2	23.4	23.8
Other services	10.5	8.9	8.7	7.8	7.4	7.4

Sources: State Bank of Vietnam; and Fund staff estimates.

1/ Figures on credit to the economy by sector of ownership are estimated rather than actual data.

2/ Data comprise six state-owned commercial banks and 77 non-state credit institutions as of end- March, 2006.

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 and since December 2005 includes also 5 finance companies.

Table 21. Vietnam: Nominal Interest Rates, 2003-06 1/

	2003	2004		2005			2006		
			Mar.	June	Sep	Dec	Mar	Jun	Jul
<b>Deposit rates</b>									
Demand deposits, enterprises	2.4	2.4	2.4	2.6	2.6	2.9	2.9	2.9	2.9
Savings deposits (three-month), households	6.1	6.7	6.7	7.4	7.5	7.8	7.9	7.9	7.9
Foreign currency demand deposits	1.2	1.2	1.2	1.3	1.3	1.3	1.3	1.3	1.3
Foreign currency deposits (three-month)	1.3	1.4	2.1	2.6	3.0	3.8	3.8	3.8	3.8
Foreign currency deposits (six-month)	1.5	1.6	2.3	2.8	3.3	4.0	4.1	4.2	4.4
<b>Lending rates</b>									
Working capital (short term)	10.0	10.7	10.7	11.6	11.8	12.0	11.8	11.8	11.8
Fixed capital (medium term)	10.7	11.7	11.8	12.9	13.4	13.6	13.7	13.7	13.7
Foreign-currency loans 2/	3.1	3.6	4.0	4.9	5.5	5.5	5.5	5.5	5.5

Sources: State Bank of Vietnam; and Fund staff estimates.

1/ Annual interest rates computed by compounding applicable monthly interest rates over relevant twelve-month period.

2/ Refers to short-term rates.

Table 22. Vietnam: Exchange Rate Developments, 2001–06

	2001	2002	2003	2004	2005	2006 Jan-June
	(period average; 2000=100)					
Effective exchange rates						
Nominal	102.2	97.7	88.5	82.6	81.1	80.9
Real	100.1	98.3	90.6	89.3	93.2	96.7
	(Annual percentage change; - depreciation)					
Nominal	2.2	-4.4	-9.4	-6.7	-1.8	1.6 1/
Real	0.1	-1.8	-7.9	-1.4	4.3	7.5 1/
	(In units indicated)					
Dong per U.S. dollar, end of period 2/	15,070	15,368	15,608	15,739	15,875	15957
Dong per U.S. dollar, period average 2/	14,786	15,244	15,475	15,704	15,816	15,920
Dong per SDR, end of period	18,957	20,941	23,249	24,502	22,748	23,632
Dong per SDR, period average	18,746	19,785	21,695	23,281	23,429	23,246
	(Annual percentage change, - depreciation)					
Dong per U.S. dollar, end of period	-3.8	-2.0	-1.6	-0.8	-0.9	-0.5 3/
Dong per U.S. dollar, period average	-4.3	-3.1	-1.5	-1.5	-0.7	-0.6 1/
Dong per SDR, end of period	-0.2	-10.5	-11.0	-5.4	7.2	-3.9 3/
Dong per SDR, period average	-0.3	-5.5	-9.7	-7.3	-0.6	2.3 1/

Sources: IMF Information Notice System; and Fund staff estimates.

1/ Compared with Jan-June 2005.

2/ Interbank market rate.

3/ Compared to end-2005.

Table 23. Vietnam: Balance of Payments, 2002-05  
(In millions of U.S. dollars, unless otherwise indicated)

	2002	2003	2004	2005
				Prel.
Current account balance	-673	-1,932	-1,565	218
Excluding official transfers	-827	-2,071	-1,740	-12
Trade balance	-1,054	-2,582	-2,287	-838
Exports, f.o.b.	16,706	20,149	26,485	32,442
of which: oil	3,270	3,821	5,676	7,389
Imports, f.o.b.	17,760	22,730	28,772	33,280
of which: oil	2,017	2,433	3,574	4,968
Non-factor services (net)	-749	-778	-871	-1,106
Receipts	2,948	3,272	3,867	4,176
Payments	3,697	4,050	4,739	5,282
Investment income (net)	-791	-812	-891	-1,219
Receipts	167	125	188	364
Payments	958	937	1,079	1,583
Transfers (net)	1,921	2,239	2,485	3,380
Private	1,767	2,100	2,310	3,150
Official	154	139	175	230
Capital account balance	1,136	4,083	2,447	1,913
Gross foreign direct investment (FDI) inflows	2,023	1,894	1,878	1,972
Equity	1,882	1,294	1,283	1,347
Loan disbursements	141	600	595	625
FDI loan repayments	414	590	536	524
Medium and long-term loans (net)	523	1,045	1,396	1,405
Disbursements	1,102	1,540	1,920	1,914
ODA loans	1,073	1,258	1,394	1,432
Commercial loans	29	283	526	483
Amortization 1/	578	495	523	509
Portfolio Investment 2/	...	...	...	850
Short-term capital (net) 3/	-996	1,734	-291	-1,790
<b>Overall balance</b>	463	2,151	883	2,131
<b>Financing</b>	-464	-2,151	-883	-2,131
Change in SBV's NFA (-, increase)	-464	-2,151	-883	-2,131
<b>Memorandum items:</b>				
Gross official reserves	3,692	5,620	6,314	8,557
In weeks of next year's imports	7.2	8.7	8.5	9.8
Ratio to short term external debt (in percent) on remaining maturity basis 2/	373	530	611	702
Net official international reserves	2,956	4,683	5,554	7,728
In weeks of next year's imports	5.8	7.3	7.5	8.9
SBV's net foreign assets	3,682	5,833	6,716	8,847
Net foreign assets of the banking system	7,640	8,419	9,271	12,036
In weeks of next year's imports	14.9	13.1	12.5	13.8
Current account balance (in percent of GDP)	-1.9	-4.9	-3.4	0.4
Trade deficit (in percent of GDP)	-3.0	-6.5	-5.0	-1.6
Non-oil current account deficit (in percent of GDP)	-5.5	-8.4	-8.1	-4.2
Export value (ann. perc. change)	11.2	20.6	31.4	22.5
Import value (ann. perc. change)	22.1	28.0	26.6	15.7
Non-oil export value (ann. perc. change)	12.9	21.5	27.4	20.4
Non-oil import value (ann. perc. change)	23.8	28.9	24.1	12.4

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

1/ Including two debt buyback operations carried out in 2002 and 2003, respectively.

2/ Includes US\$750 million sovereign bond issue in 2005.

3/ Including net errors and omissions and trade credit.

Table 24. Vietnam: Merchandise Exports by Commodity, 2001–05

	2001	2002	2003	2004	2005 Prel.
(In millions of U.S. dollars, unless otherwise indicated)					
Total exports, f.o.b.	15,029	16,706	20,149	26,485	32,442
(annual percentage change)	3.8	11.2	20.6	31.4	22.5
(Excluding oil)	11,901	13,436	16,328	20,814	25,069
(annual percentage change)	8.4	12.9	21.5	27.5	20.4
Crude oil	3,126	3,270	3,821	5,671	7373
Volume ('000 tons)	16,732	16,876	17,143	19,501	17967
Unit value (US\$/ton)	187	194	223	291	410
Coal	113	154	188	354	669
Volume ('000 tons)	4,292	6,047	7,262	11,636	17,986
Unit value (US\$/ton)	26	26	26	30	37
Rubber	166	271	378	596	804
Volume ('000 tons)	308	455	432	513	587
Unit value (US\$/ton)	539	595	874	1,162	1,370
Rice	624	726	720	950	1,407
Volume ('000 tons)	3,721	3,236	3,810	4,063	5,250
Unit value (US\$/ton)	168	224	189	234	268
Coffee	391	322	505	642	735
Volume ('000 tons)	931	722	749	976	892
Unit value (US\$/ton)	420	445	674	658	825
Marine products (including frozen items)	1,816	2,022	2,200	2,408	2,739
Garments	1,975	2,732	3,609	4,430	4,838
Footwear	1,587	1,875	2,261	2,691	3,040
Handicrafts	309	340	397	508	436
Electronic goods and components	709	605	855	1,062	1,427
Other	4,212	4,389	5,216	7,172	8,973
(In percent of value of total exports)					
Crude oil	20.8	19.6	19.0	21.4	22.7
Coal	0.8	0.9	0.9	1.3	2.1
Rubber	1.1	1.6	1.9	2.3	2.5
Rice	4.1	4.3	3.6	3.6	4.3
Coffee	2.6	1.9	2.5	2.4	2.3
Marine products	12.1	12.1	10.9	9.1	8.4
Garments	13.1	16.4	17.9	16.7	14.9
Footwear	10.6	11.2	11.2	10.2	9.4
Handicrafts	2.1	2.0	2.0	1.9	1.3
Electronic goods and components	4.7	3.6	4.2	4.0	4.4
Other	28.0	26.3	25.9	27.1	27.7

Source: General Statistics Office.

Table 25. Vietnam: Merchandise Imports by Commodity, 2001–05

	2001	2002	2003	2004	2005 Prel.
(In millions of U.S. dollars, unless otherwise indicated)					
Total imports, c.i.f.	16,218	19,746	25,256	31,969	36,978
(annual percentage change)	3.7	21.8	27.9	26.6	15.7
Petroleum products (gasoline, diesel, etc.)	1,834	2,023	2,441	3,572	5,024
Volume ('000 tons)	9,083	9,970	9,936	11,048	11477
Unit value (US\$/ton)	202	203	246	323	438
Fertilizer	418	478	631	759	641
Volume ('000 tons)	3,288	3,820	4,135	4,065	2877
Unit value (US\$/ton)	127	125	153	187	223
Insecticide	103	116	116.1	143	244
Volume ('000 tons)	...	...	...	...	...
Unit value (US\$/ton)	...	...	...	...	...
Steel and iron	965	1,334	1,695	2,553	2931
Volume ('000 tons)	3,870	4,946	4,623	5,152	5524
Unit value (US\$/ton)	249	270	367	496	531
Motorcycles	635	423	329	452	541
Volume ('000 unit)	2,380	1,480	...	...	...
Unit value (US\$/unit)	267	286	...	...	...
Motor cars and trucks	199	262	275	360	285
Volume ('000 units)	28.3	29.4	21.4	25.0	17.3
Unit value (US\$/unit)	7,051	8,911	12,863	14,420	16,402
Wheat flour	12	11	10	10	9
Volume ('000 tons)	66	62	52	48	39
Unit value (US\$/ton)	181	184	187	209	220
Textile yarn (fibers, spun)	228	273	317	384	340
Volume ('000 tons)	...	...	...	...	...
Unit value (US\$/ton)	...	...	...	...	...
Cotton	115	112	105	192	167
Leather and garment material	1,590	1,711	2,034	1,350	2282
Cigarette material (including tobacco)	...	...	...	...	...
Machinery and equipment (including aircraft)	2,741	3,793	5,359	5,249	5281
Other	7,377	9,210	11,944	16,945	19,235
(In percent of value of total imports)					
Petroleum products	11.3	10.2	9.7	11.2	13.6
Fertilizer	2.6	2.4	2.5	2.4	1.7
Insecticide	0.6	0.6	0.5	0.4	0.7
Steel and iron	6.0	6.8	6.7	8.0	7.9
Motorcycles	3.9	2.1	1.3	1.4	1.5
Motor cars and trucks	1.2	1.3	1.1	1.1	0.8
Wheat flour	...	...	...	...	...
Textile yarn	1.4	1.4	1.3	1.2	0.9
Cotton	0.7	0.6	0.4	0.6	0.5
Leather and garment material	9.8	8.7	8.1	4.2	6.2
Cigarette material	...	...	...	...	...
Machinery and equipment	16.9	19.2	21.2	16.4	14.3
Other	45.5	46.6	47.3	53.0	52.0

Source: General Statistics Office.

Table 26. Vietnam: Direction of Trade, 2001–05  
(In percent of total exports or imports)

	2001	2002	2003	2004	2005 Prel.
<b>Exports</b>					
Industrial countries or regions	64.1	68.2	71.0	68.6	66.5
Japan	16.7	14.6	14.4	13.4	13.6
Hong Kong SAR	2.1	2.0	1.8	1.4	1.1
Korea	2.7	2.8	2.4	2.3	1.9
Singapore	7.0	5.8	5.1	5.6	5.6
France	3.1	2.6	2.5	2.1	2.0
Germany	4.8	4.4	4.2	4.0	3.3
Italy	1.6	1.6	1.6	1.4	1.4
Netherlands	2.4	2.4	2.4	2.2	2.0
Switzerland	0.6	0.4	0.4	0.5	0.3
United Kingdom	3.4	3.4	3.7	3.8	3.1
Other Europe (industrialized) 1/	4.8	4.6	4.7	4.7	4.5
United States	7.1	14.7	19.5	19.0	18.3
Canada	0.7	0.8	0.9	1.0	1.1
Australia	6.9	8.0	7.1	7.1	7.9
New Zealand	0.1	0.1	0.1	0.2	0.1
Developing countries	35.9	31.8	29.0	31.4	33.5
China (mainland)	9.4	9.1	9.3	10.9	9.1
Indonesia	1.8	2.0	2.3	1.7	1.4
Malaysia	2.7	2.1	2.3	2.4	2.9
Philippines	2.5	1.9	1.7	1.9	2.6
Russia	1.3	1.1	0.8	0.8	0.8
Taiwan POC	5.4	4.9	3.7	3.4	2.9
Thailand	2.1	1.4	1.7	2.0	2.4
Other	11.2	9.4	7.3	8.3	11.4
<b>Imports</b>					
Industrial countries or regions	59.0	55.6	54.8	52.3	50.3
Japan	13.5	12.7	11.8	11.1	11.1
Hong Kong SAR	3.3	4.1	3.9	3.4	3.3
Korea	11.6	11.5	10.4	10.5	9.7
Singapore	15.3	12.8	11.4	11.3	12.4
France	1.9	1.5	1.6	1.9	1.2
Germany	2.4	2.8	2.4	2.2	1.8
Italy	1.2	1.4	1.5	1.0	0.8
Netherlands	0.7	0.6	1.3	0.6	0.8
Switzerland	0.6	0.7	1.2	2.1	2.4
United Kingdom	1.1	0.8	0.9	0.7	0.5
Other Europe (industrialized) 1/	2.1	2.2	2.2	1.8	1.7
United States	2.5	2.3	4.5	3.5	2.3
Canada	0.4	0.3	0.3	0.3	0.5
Australia	1.6	1.4	1.1	1.4	1.3
New Zealand	0.9	0.3	0.4	0.3	0.3
Developing countries	41.0	44.4	45.2	47.7	49.7
China (mainland)	9.9	10.9	12.4	14.4	15.6
Indonesia	1.8	1.8	2.2	2.1	1.9
Malaysia	2.9	3.5	3.7	3.8	3.4
Philippines	0.3	0.5	0.6	0.6	0.6
Russia	2.3	2.5	1.9	2.1	2.1
Taiwan POC	12.4	12.8	11.5	11.6	11.7
Thailand	4.9	4.8	5.1	5.8	6.5
Other	6.5	7.5	7.8	7.4	8.0
<b>Memorandum items:</b>					
European Union					
Exports	20.0	19.8	19.9	18.8	17.0
Imports	9.3	9.5	10.2	8.4	7.0
ASEAN					
Exports	17.0	14.6	14.7	15.3	16.8
Imports	25.7	24.2	23.6	24.3	25.6

Sources: General Statistics Office; and Fund staff estimates.

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

Table 27. Vietnam: Commitments of Foreign Direct Investment, 2001-005 1/

	2001	2002	2003	2004	2005
(In millions of U.S. dollars)					
Industry	2,366	2,043	2,235	2,741	4,510
Heavy industries	1,490	868	854	1,584	2,895
Export processing zones	30	71	18	41	40
Light industries	773	774	1,190	943	1,285
Food	74	330	173	173	290
Oil and gas	0	45	16	12	20
Construction	89	192	101	481	174
Transportation and communications	244	78	19	78	709
Real estate	62	236	315	467	601
Hotels and tourism	20	218	185	257	124
Office property and apartments (office, new cities)	42	19	130	210	477
Agriculture, forestry, and fisheries (agr, Fisheries)	253	264	298	537	393
Services (service, Culture, finance)	250	134	189	219	427
Total	3,265	2,993	3,172	4,534	6,835
(In percent of total)					
Industry	72.5	68.3	70.5	60.5	66.0
Heavy industries	45.6	29.0	26.9	34.9	42.4
Export processing zones	0.9	2.4	0.6	0.9	0.6
Light industries	23.7	25.9	37.5	20.8	18.8
Food	2.3	11.0	5.4	3.8	4.2
Oil and gas	0.0	1.5	0.5	0.3	0.3
Construction	2.7	6.4	3.2	10.6	2.5
Transportation and communications	7.5	2.6	0.6	1.7	10.4
Real estate	1.9	7.9	9.9	10.3	8.8
Hotels and tourism	0.6	7.3	5.8	5.7	1.8
Office property and apartments	1.3	0.6	4.1	4.6	7.0
Agriculture, forestry, and fisheries	7.8	8.8	9.4	11.8	5.8
Services	7.7	4.5	6.0	4.8	6.2
Total	100.0	100.0	100.0	100.0	100.0

Source: Ministry of Planning and Investment.

1/ Includes investments by domestic joint venture partners. Commitments include both new projects and additional capital of ongoing projects.



Table 28. Vietnam: Public Sector Debt, 2002–05 1/

	2002	2003	2004	2005 Prel.
	(In billions of dong)			
Public and publicly guaranteed debt	204,723	252,101	305,663	368,992
Domestic debt	54,363	84,134	109,972	145,844
T-bills and bonds	34,728	42,795	50,649	63,019
maturity less than 1 year	6,089	12,118	14,220	17,886
maturity greater than 1 year	28,639	30,677	36,429	45,133
Disbursements	15,210	22,895	27,452	33,250
maturity less than 1 year	6,089	12,118	14,222	17,886
maturity greater than 1 year	9,121	10,777	13,230	15,364
Amortization	10,499	14,828	19,596	20,050
maturity less than 1 year	3,422	6,089	12,118	14,220
maturity greater than 1 year	7,077	8,739	7,478	5,830
Interest	2,494	2,189	4,056	5,440
maturity less than 1 year	253	475	957	1,150
maturity greater than 1 year	2,241	1,714	3,099	4,290
Development Assistance Fund (DAF) 2/	14,735	23,890	32,800	38,801
Education bonds	0	2,579	2,579	5,395
Reform bonds	4,900	8,050	9,540	9,540
Infrastructure bonds	0	5,020	10,040	20,625
Municipal bonds	0	1,800	4,364	7,864
Domestic guarantees	...	...	...	600
External Debt in billions of dong	150,360	167,967	195,692	223,148
Sovereign debt	141,906	156,551	175,835	204,353
External guarantees	6,969	9,665	17,516	15,980
Short term publicly guaranteed	1,486	1,751	2,341	2,815
	(In percent of GDP)			
Public and publicly guaranteed debt	38.2	41.1	42.7	44.0
Domestic debt	10.1	13.7	15.4	17.4
T-bills and bonds	6.5	7.0	7.1	7.5
Development Assistance Fund (DAF) 2/	2.8	3.9	4.6	4.6
Education bonds	0.0	0.4	0.4	0.6
Reform Bonds	0.9	1.3	1.3	1.1
Infrastructure bonds	0.0	0.8	1.4	2.5
Municipal bonds	0.0	0.3	0.6	0.9
Domestic guarantees	...	...	...	0.1
External Debt	28.1	27.4	27.4	26.6
Sovereign debt	26.5	25.5	24.6	24.4
External guarantees	1.3	1.6	2.4	1.9
Short term publicly guaranteed	0.3	0.3	0.3	0.3

Sources: Ministry of Finance; and Fund staff estimates.

1/ Data are not fully comparable to the data in the staff report due to revisions as of September 20, 2006

2/ Includes DAF bonds as well as liabilities to the Postal Savings Service Company and Social Security Fund; capital mobilized by branches (deposits); and Project Bonds.

Table 29. Vietnam: External Debt and Debt Service, 2002–05 1/  
(In millions of U.S. Dollars)

	2002	2003	2004	2005 Prel.
<b>A. External Debt</b>				
Total External Debt	12,345	13,535	15,390	16,924
<i>in percent of GDP</i>	35.2	34.2	33.9	32.0
Public and publicly guaranteed 2/	9,887	11,001	12,397	13,809
<i>in percent of GDP</i>	28.2	27.8	27.3	26.1
Private	2,458	2,534	2,993	3,114
<i>in percent of GDP</i>	7.0	6.4	6.6	5.9
Medium and Long Term	12,183	13,346	15,142	16,628
Public and publicly guaranteed 2/	9,790	10,888	12,248	13,632
Public	9,292	10,091	11,159	12,632
Multilateral	3,418	4,151	4,618	5,204
Bilateral	5,357	5,431	6,044	6,210
Commercial	517	509	498	1,218
Publicly guaranteed 3/	498	797	1,089	1,000
Private	2,393	2,458	2,894	2,996
Short-term	162	188	248	296
Public and publicly guaranteed	97	113	149	178
Public	...	...	...	...
Publicly guaranteed	97	113	149	178
Private	65	75	99	118
<b>B. External Debt Service</b>				
Total External Debt Service	1,630	1,764	1,858	1,952
Amortization 4/	1,339	1,477	1,441	1,513
Interest	291	287	417	439
Total Public and Guaranteed Debt Service 2/	776	699	771	722
Amortization	567	489	447	431
Interest	208	210	324	291
Total Public Debt Service	605	628	522	555
Amortization 4/	419	435	227	310
Interest	186	194	295	245
Amortization	1,339	1,477	1,441	1,513
Medium and Long Term	992	1,085	993	982
Public and publicly guaranteed 2/	567	489	447	431
Public	419	435	227	310
Multilateral	11	16	...	...
Bilateral 4/	397	409	...	...
Commercial	10	10	...	...
Publicly guaranteed	149	54	220	121
Private	425	597	546	550
Interest	291	287	417	439
Medium and Long Term	291	287	417	439
Public and publicly guaranteed 2/	208	210	324	291
Public	186	194	295	245
Multilateral	23	33	...	...
Bilateral	142	145	...	...
Commercial	22	16	...	...
Publicly guaranteed	22	16	29	46
Private	82	77	93	148
Memorandum item:				
GDP in millions of USD	35,082	39,542	45,441	52,838

Sources: Ministry of Finance; and Fund staff estimates.

1/ Data are not fully comparable to the data in the staff report due to revisions as of September 20, 2006.

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

3/ Short-term debt of State-owned-enterprises.

4/ 2002-03 data reflect debt buyback operations.

Table 30. Vietnam: Summary of Normal Tariff Schedule, 2001–06 1/

	Rates in 2001		Rates in 2002		Rates in 2003 2/		Rates in 2004		Rates in 2005		Rates in 2006 3/		
	Bands	Number of lines: number percent	Bands	Number of lines: number percent	Bands	Number of lines: number percent	Bands	Number of lines: number percent	Bands	Number of lines: number percent	Bands	Number of lines: number percent	
0	2,070	32.4	0	2,076	31.8	0	3,087	28.9	0	3,087	0	3,268	29.6
0.5			0.5	0	0.0	0.5	0	0.0	0.5	0	0.5	6	0.1
1	170	2.7	1	159	2.4	1	196	1.8	1	196	1	177	1.6
3	349	5.5	3	360	5.5	3	614	5.8	3	614	3	676	6.1
5	677	10.6	5	701	10.8	5	1,110	10.4	5	1,110	5	1,215	11.0
7	3	0.0	7	4	0.1	7	1	0.0	7	1	7	23	0.2
10	550	8.6	10	576	8.8	10	1,047	9.8	10	1,047	10	1,164	10.6
12	3	0.0	12	3	0.0	12	0	0.0	12	0	12	10	0.1
15	68	1.1	15	79	1.2	15	177	1.7	15	177	15	280	2.5
18	0	0.0	18	2	0.0	18	0	0.0	18	0	18	0	0.0
20	502	7.9	20	512	7.9	20	855	8.0	20	855	20	859	7.8
25	5	0.1	25	3	0.0	25	121	1.1	25	121	25	136	1.2
30	663	10.4	30	679	10.4	30	1,164	10.9	30	1,164	30	1,053	9.5
35	1	0.0	35	1	0.0	35	0	0.0	35	0	35	7	0.1
40	671	10.5	40	683	10.5	40	985	9.2	40	985	40	1,039	9.4
45	2	0.0	45	2	0.0	45	0	0.0	45	0	45	7	0.1
50	575	9.0	50	602	9.2	50	1,001	9.4	50	1,001	50	771	7.0
60	11	0.2	60	5	0.1	60	25	0.2	60	25	60	26	0.2
70	0	0.0	70	0	0.0	70	0	0.0	70	0	70	0	0.0
80	2	0.0	80	2	0.0	80	3	0.0	80	3	80	16	0.1
100	50	0.8	100	62	1.0	100	291	2.7	100	291	100	240	2.2
120	8	0.1	120	8	0.1	120	0	0.0	120	0	100	6	0.1
150	0	0.0	150	0	0.0	150	12	0.1	150	12	150	50	0.5
Total	6,380	100.0	Total	6,519	100.0	Total	10,677	100.0	Total	10,677	Total	10,979	99.5

Source: Ministry of Finance.

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 not in the process of negotiating one).

2/ Effective September 1, 2003.

3/ Effective September 15, 2006.

Table 31. Vietnam: Common Effective Preferential Tariff (CEPT) Rates, 2001–06 1/

	Rates in 2001		Rates in 2002		Rates in 2003		Rates in 2004		Rates in 2005		Rates in 2006			
	Bands	Number of lines: number percent	Bands	Number of lines: number percent	Bands	Number of lines: number percent	Bands	Number of lines: number percent	Bands	Number of lines: number percent	Bands	Number of lines: number percent		
0	1,763	35.4	0	2,002	36.0	0	3,257	32.1	0	3,258	32.1	0	5,478	53.0
1	171	3.4	1	177	3.2	1	239	2.4	1	241	2.4	1	4	0.0
3	333	6.7	3	355	6.4	3	607	6.0	3	603	5.9	3	150	1.5
5	962	19.3	5	1,092	19.6	5	3,372	33.2	5	3,396	33.4	5	4,651	45.0
7	3	0.1	7	3	0.1	10	89	0.9	10	130	1.3	10	2	0.0
10	676	13.6	10	610	11.0	15	125	1.2	15	2,131	21.0	15	-	0.0
12	1	0.0	15	171	3.1	20	2,454	24.2	20	403	4.0	20	24	0.2
15	133	2.7	20	1,158	20.8				50	19	0.2	30	1	0.0
20	944	18.9										40	13	0.1
												50	19	0.2
	4,986	100.0		5,568	100.0		10,143	100.0		10,162	100.2		10,277	100
													10,342	100

Source: Ministry of Finance.

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

## Vietnam: Summary of the Tax System, August 2006

Nature of the Tax	Tax Deductions and Exemptions	Rates																								
<b>1. Personal Income Tax</b>																										
<b>a) Regular income</b>																										
<ul style="list-style-type: none"> <li>• Salaries, wages and remuneration, including overtime income, nightshift, and thirteenth month salary (if any); allowances; subsidies received from social insurance funds in substitution of salaries; and allowances for lunch and mid-shift meals (if received in cash).</li> <li>• Bonuses (both in cash or in kind).</li> <li>• Income from the participation in projects, business associations, enterprises' boards of management or the like.</li> <li>• Income in the form of royalties for using patents, trademarks, literary and artistic works.</li> <li>• Income that is not subject to Corporate Income Tax, such as: income from the provision of scientific services, technical services, informatics services, consultancy services, design, architecture, training, cultural and artistic performances, artistic performance organization, sporting activities, agent services, brokerage and other services.</li> <li>• Housing provided by the employer. This benefit is taxable, and it is calculated based on the lower of actual rental and 15% of total taxable income.</li> <li>• Other income earned by individuals from any employers.</li> </ul>	<ul style="list-style-type: none"> <li>• Exempt income                             <ul style="list-style-type: none"> <li>• Interest from bank deposits, bank savings and loans; interest from bonds, dividend income from shares; and income from investment in securities, and gains on the purchases and sales of securities.</li> <li>• Toxic and dangerous allowances for type of work under toxic or dangerous labor conditions; regional allowances, incentive allowances and special allowances for work in remote or unfrequented areas; areas with harsh climate; new economic zones, offshore islands and border areas with difficult conditions (excluding expatriate allowances for foreigners); seniority allowance for armed forces, customs and important forces; mobile allowance for types of work which require a regular change of working place and residence; responsibility and position allowances for civil servants and officials.</li> <li>• Per diem for business trips (capped by different rates of cash income for domestic trips and overseas trips).</li> <li>• Fixed cost of meals for specific types of work; subsidies and compensation for sick and wounded soldiers, and victims of labor accidents; insurance compensation payments for personal and property insurance policies.</li> <li>• Termination and severance allowances in accordance with labor regulations.</li> <li>• Relocation costs (one-off) of workers.</li> <li>• Prizes for technical innovations and inventions, international awards, and national awards organized or recognized by the State of Vietnam.</li> <li>• Income of family businesses and individuals who are subject to Corporate Income Tax.</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>• For Vietnamese citizens:                             <table style="margin-left: 20px; border-collapse: collapse;"> <tr> <td style="padding-right: 10px;"><u>Monthly income ( VND mil)</u></td> <td style="padding-right: 10px;"><u>Marginal rate</u></td> </tr> <tr> <td>0-5</td> <td>0%</td> </tr> <tr> <td>5-15</td> <td>10%</td> </tr> <tr> <td>15-25</td> <td>20%</td> </tr> <tr> <td>25-40</td> <td>30%</td> </tr> <tr> <td>Above 40</td> <td>40%</td> </tr> </table> </li> <li>• For resident foreigners and for Vietnamese citizens on oversea missions, or working at the professional level in software services sector:                             <table style="margin-left: 20px; border-collapse: collapse;"> <tr> <td style="padding-right: 10px;"><u>Monthly income (VND mil)</u></td> <td style="padding-right: 10px;"><u>Marginal rate</u></td> </tr> <tr> <td>0-8</td> <td>0%</td> </tr> <tr> <td>8-20</td> <td>10%</td> </tr> <tr> <td>20-50</td> <td>20%</td> </tr> <tr> <td>50-80</td> <td>30%</td> </tr> <tr> <td>Above 80</td> <td>40%</td> </tr> </table> </li> <li>• For non-resident foreigners who stay in Vietnam less than 183 days in the tax year, a flat rate of 25% is applied on the Vietnam-sourced income.</li> </ul>	<u>Monthly income ( VND mil)</u>	<u>Marginal rate</u>	0-5	0%	5-15	10%	15-25	20%	25-40	30%	Above 40	40%	<u>Monthly income (VND mil)</u>	<u>Marginal rate</u>	0-8	0%	8-20	10%	20-50	20%	50-80	30%	Above 80	40%
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Above 80	40%																									

## Vietnam: Summary of the Tax System (continued), August 2006

Nature of the Tax	Tax Deductions and Exemptions	Rates
	<ul style="list-style-type: none"> <li>• Certain benefits in kind, such as the costs of training paid directly by the employer to the training agencies/schools, airfares for home leave for expatriate taxpayers, and tuition fees for their children paid directly to schools in Vietnam.</li> </ul> <p><b>b) Allowable deductions:</b></p> <ul style="list-style-type: none"> <li>• Employees' statutory contributions for social insurance or health insurance from salaries and wages; and</li> <li>• 25% allowable deduction from the income earned by singers, circus performers, dancers, football players, and professional athletes that have certificates from the required specialized state management agencies.</li> </ul>	
<b>b) Irregular Income</b>	<ul style="list-style-type: none"> <li>• Irregular income that does not exceed VND15 million is exempt from Personal Income Tax.</li> </ul>	<ul style="list-style-type: none"> <li>• Income earned from technology transfer that exceeds VND 15mil/time shall be subject to a tax rate of 5% on the total income;</li> </ul>
<ul style="list-style-type: none"> <li>• Lottery winnings in whatever form, including promotional prizes.</li> </ul>		<ul style="list-style-type: none"> <li>• Income earned from lottery winnings, including promotional prizes that exceeds VND15 millions per lottery shall be subject to a tax rate of 10% on the total income; and</li> <li>• a withholding tax of 10% is applied on individuals who receives income of VND500,000 or more/time from commission, brokerage; training; etc.</li> </ul>
<b>c) Residency rules</b>	<p>If a foreigner is considered liable to the Vietnamese Foreign Contractor Tax, he/or she will not be subject to Personal Income Tax on the income derived from contractor's work in Vietnam.</p> <ul style="list-style-type: none"> <li>• Non-tax resident: A foreigner is considered non-tax resident in Vietnam if he/or she stays in Vietnam for less than 183 days during a tax year. In this circumstance, a foreigner is only taxed at 25% on his/or her Vietnamese-sourced income. The Vietnamese-sourced income means all income related to his/or her service in Vietnam, irrespective of the location where income is paid.</li> <li>• Tax-resident: A foreigner is considered tax resident if he/or she is present in Vietnam for</li> </ul>	<p>The Foreign Contractor Tax rates for services activities may be up to 10%.</p>

## Vietnam: Summary of the Tax System (continued), August 2006

Nature of the Tax	Tax Deductions and Exemptions	Rates
<p>183 days or more during a tax year. A tax resident is subject to PIT on his/her worldwide income. To determine the worldwide income of the foreigner, the Vietnamese tax authorities may wish to check/verify employee payroll statements or bank payment vouchers/statements.</p>		
<p><b>2. Foreign Contractor Tax</b></p> <p>The Ministry of Finance released Circular 05/2005/TT-BTC dated 11 January 2005 ("Circular 05/2005/TT-BTC") on Foreign Contractor Tax ("FCT"). Circular 05/2005/TT-BTC is effective from 16 February 2005 and replaces Circular 169/1998/TT-BTC dated 22 December 1998 (and Circular 95/1999/TT-BTC dated 6 August 1999 on the same issues.</p>	<p>FCT does not apply to foreign organizations which do not have Vietnamese legal status, but do business in Vietnam under the Law on Foreign Investment in Vietnam, Law on Petroleum, Law on Credit Institutions;</p> <p>FCT does not apply to foreign organizations or individuals supplying goods to Vietnamese organizations or individuals under <i>pure commercial contracts</i>. <i>Pure commercial contract</i> is defined as:</p> <ul style="list-style-type: none"> <li>- Delivery of goods at a foreign border gate: the seller bears all responsibilities, costs and risks associated with the export and delivery of goods at the foreign border gate; the purchaser bears all responsibilities, costs and risks associated with the receipt and transportation of goods from the foreign border gate to Vietnam; and</li> <li>- Delivery of goods at a Vietnamese border gate: the seller bears all responsibilities, costs and risks associated with the goods up to the place of delivery of goods at the Vietnamese border gate; the purchaser bears all responsibilities, and risks relating to the receipt and transportation of goods from the Vietnamese border gate.</li> </ul>	<p>FCT applies at various rates, depending on the nature of the contract/project. Where several rates could apply to a <i>composite contract</i>, and it is not possible to determine which rates apply to which part, the tax authorities may apply the highest rates to the whole contract. Current FCT rates are:</p> <ul style="list-style-type: none"> <li>• Trading: 2% (1% VAT and 1% CIT)</li> <li>• Services: 10% (5% VAT and 5% CIT)</li> <li>• Construction, installation (including materials and/or machinery and equipment provided): 5% (3% VAT and 2% CIT)</li> <li>• Construction, installation (not including materials and/or machinery and equipment provided): 7% (5% VAT and 2% CIT)</li> <li>• Royalties/Technology transfer/Interest/fees for lease of machinery and equipment: 10% (VAT exempt and 10% CIT)</li> <li>• Other business or production activities (where contract value is not separated by the activities): 4.5% (2.5% VAT and 2% CIT)</li> </ul>
<p>Under Circular 05/2005/TT-BTC, foreign contractors are split into two categories:</p> <p><b>a) Foreign contractors who adopt the Vietnamese Accounting System ("VAS") and VAT by the deduction method:</b></p> <p>These contractors are taxed in a similar manner to legal entities incorporated in Vietnam, i.e. they issue VAT invoices, collect VAT on their sales, claim input VAT credits and pay output VAT, etc. In that case, these VAS foreign contractors will generally be liable to pay CIT at the current applicable rate of 28% on their net profit.</p>	<p>FTC does not apply to foreign individuals who are subject to PIT in Vietnam;</p> <p>FCT does not apply to foreign organizations or individuals that have income derived from investments in securities in Vietnam; and</p> <p>FCT does not apply to payments of interest on loan agreements signed with foreign lenders before 1 January 1999, subject to certain</p>	
<p>VAS foreign contractors may adopt a hybrid method where they still adopt the VAS and pay VAT under the deduction method, but where their accounting records for the projects/contract in Vietnam are not sufficient for determination of a net profit for the calculation of 28% CIT, the CIT may be calculated based on the "presumed FCT</p>		

## Vietnam: Summary of the Tax System (continued), August 2006

Nature of the Tax	Tax Deductions and Exemptions	Rates																		
rate".																				
<p><b>b) Foreign contractors who do not adopt the VAS and VAT by the deduction method:</b></p> <p>These contractors are subject to FCT which is calculated on a presumptive basis. This means that withholding tax rates are determined based on certain presumed profit and value added percentages. If FCT applies, it is the responsibility of the Vietnamese contracting party or project owner to register the contract with the tax authorities, withhold the applicable FCT prior to making payments to the foreign contractor, and remit the tax to the tax authorities on the foreign contractor's behalf.</p>	<p>conditions.</p>																			
<p><b>3. Corporate Income Tax</b></p> <p>Taxable income defined as total revenue from production, trading and service activities, including taxable incomes from overseas production, trading and service activities, less total deductible expenses of the enterprise.</p> <p>Deductible expenses, inter alia, include:</p> <ul style="list-style-type: none"> <li>• Depreciation of fixed assets: straight line method. Accelerated method is also permitted under certain conditions.</li> <li>• Interest costs calculated on the basis of the interest paid on loans from credit institutions or other lenders, but not more than 1.2 times the lending rate of commercial banks.</li> <li>• Advertising, promotion and other expenses are capped at 10% of reasonable expenses.</li> </ul>	<p>Tax deductions and exemptions are granted to:</p> <p>a) Business establishments newly set up under investment projects and relocated business establishments shall enjoy the tax exemption and reduction.</p> <ul style="list-style-type: none"> <li>• Business establishments, cooperatives newly set up under investment projects in prioritized industries, branches and localities, are eligible to tax rates of 20%, 15% and 10%.</li> <li>• Tax exemption is granted for up to four years after taxable income is generated, and a 50% reduction of the payable tax amount for up to nine subsequent years for newly set up business establishments and business establishments reallocated to priority investment areas.</li> <li>• New business establishments in software services are eligible to 10% tax rate for the first 15 years from the date of establishment and operation.</li> <li>• Business establishments in High Tech Zones are eligible to pay a reduced 10% tax rate during the full duration of the investment project.</li> </ul>	<ul style="list-style-type: none"> <li>• Standard rate: 28%</li> <li>• Precious natural resources and oil sector: 28%- 50%</li> <li>• Transfer of land use right; transfer of land rent right: standard rate + progressive surcharge; specified surcharge as follows:</li> </ul> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: center;">Grade</th> <th style="text-align: center;">Ratio of remaining income to expenses</th> <th style="text-align: center;">Rate</th> </tr> </thead> <tbody> <tr> <td style="text-align: center;">1</td> <td style="text-align: center;">up to 15%</td> <td style="text-align: center;">0%</td> </tr> <tr> <td style="text-align: center;">2</td> <td style="text-align: center;">Above 15% to 30%</td> <td style="text-align: center;">10%</td> </tr> <tr> <td style="text-align: center;">3</td> <td style="text-align: center;">Above 30% to 45%</td> <td style="text-align: center;">15%</td> </tr> <tr> <td style="text-align: center;">4</td> <td style="text-align: center;">Above 45% to 60%</td> <td style="text-align: center;">20%</td> </tr> <tr> <td style="text-align: center;">5</td> <td style="text-align: center;">Above 60%</td> <td style="text-align: center;">25%</td> </tr> </tbody> </table> <p>Taxable income from land use right and land rent right transfer is the actual price paid for the transfer. Expenses of land use right and land rent right transfer are:</p> <p>a) Expenses of acquiring land use right and land rent right:</p>	Grade	Ratio of remaining income to expenses	Rate	1	up to 15%	0%	2	Above 15% to 30%	10%	3	Above 30% to 45%	15%	4	Above 45% to 60%	20%	5	Above 60%	25%
Grade	Ratio of remaining income to expenses	Rate																		
1	up to 15%	0%																		
2	Above 15% to 30%	10%																		
3	Above 30% to 45%	15%																		
4	Above 45% to 60%	20%																		
5	Above 60%	25%																		



**Vietnam: Summary of the Tax System (continued), August 2006**

Nature of the Tax	Tax Deductions and Exemptions	Rates
	<p>b) Business establishment investing in building of new production chains, expansion of production scale, renewal of technologies, improvement of ecological environment, raising production capacity are eligible for tax exemption for income generated by this investment for up to four years and a reduction of 50% for up to seven subsequent years.</p> <p>c) Other cases of tax exemption: income from the implementation of contracts for scientific research and technological development, scientific and technological information services; income from technical services in direct service of agriculture; income from sale of products turned out by new technologies applied for the first time in Vietnam during the first year of application of the new technology in production; income from sale of products during pilot production period of up to 6 months; income from job training activities exclusively for ethnic minority people, income from production, service provisions of business establishments set up exclusively for the disabled.</p>	<ul style="list-style-type: none"> <li>• Original price of land transferred</li> <li>• Compensation for loss on land not yet computed into land use payment</li> <li>• Compensation for loss of plantation on land</li> <li>• Moving allowance to new locations</li> <li>• Cost of moving tombs</li> <li>• Other allowances for land clearance</li> <li>• Relevant fees and charges provided by laws.</li> </ul> <p>b) Cost of leveling and reclaiming land</p> <p>c) Investment cost of infrastructure and architectural buildings on land and the value of those buildings</p> <p>d) Appropriate expenses provided by laws</p>
	<p>Goods and services not subject to VAT, inter alia, include:</p> <ul style="list-style-type: none"> <li>• Products being species of plants and animals.</li> <li>• Agricultural, animal, husbandry, and marine products which have not been processed or are semi-processed.</li> <li>• Machinery, equipment or means of transportation which can not be produced domestically and are required to be imported to use directly in scientific research and technological development and to form fixed assets.</li> <li>• Transfers of land use right.</li> <li>• Scientific and technical books.</li> <li>• International transportation, and reinsurance services being re-insured outside Vietnam.</li> </ul>	<p>a) 0%: applied for export goods and services (including certain services provided to export processing enterprises in Vietnam), except the followings: goods and services provided directly to international transportation; reinsurance services being re-insured outside Vietnam; credit services, financial investment and securities invested overseas and certain exported unprocessed minerals.</p> <p>b) 5%: applied for</p> <ul style="list-style-type: none"> <li>• Clean water used for production and living consumption. Medical equipment, certain pharmaceutical chemical products, medicines, materials used to produce preventive and curative medicines; certain printing products except printing of money;</li> </ul>
<p><b>4. Value Added Tax</b></p> <p>Goods and services for the purposes of production, business, or consumption in Vietnam are subject to VAT.</p> <p>For domestic goods and services, tax is calculated on before-VAT price.</p> <p>For imports, base includes the import price, import duty (if any) and special consumption tax ("SCT") (if any).</p> <p>Two methods of VAT payment are:</p> <ul style="list-style-type: none"> <li>• Deduction method, whereby VAT payable shall be the difference between output VAT and input VAT.</li> <li>• Direct method, whereby VAT payable is calculated on value added of VATable good or service.</li> </ul>		

## Vietnam: Summary of the Tax System (continued), August 2006

Nature of the Tax	Tax Deductions and Exemptions	Rates
<p>Input VAT deduction:</p> <ul style="list-style-type: none"> <li>• The time-limit for declaration of input VAT shall be no more than 3 months from the declaration date of the month when input tax was incurred.</li> </ul> <p>Compliance:</p> <ul style="list-style-type: none"> <li>• Monthly VAT declarations and monthly payments of VAT must be submitted/paid to the tax department on or before the 25<sup>th</sup> day of the subsequent month.</li> <li>• Year-end VAT return is no longer required. Annual VAT Adjustment Declaration is required to be submitted by taxpayers to the tax department on or before 28 February of the subsequent year, if there is any adjustment of input/output VAT for the relevant year.</li> </ul> <p>Export:</p> <ul style="list-style-type: none"> <li>• Export goods and services subject to tax credit on inputs should be certified by the Customs as the actual exportation, and attached with contacts of sale and/or processing or supplying services to foreigner parties. Payments, including off-set payments, should be made via banking system.</li> </ul>	<ul style="list-style-type: none"> <li>• Postal and telecommunication services and popularization of internet under the government's program.</li> <li>• Products being artificial organs used for replacement of organs of patients; crutches, wheelchairs and other specialized appliances for the disabled</li> </ul>	<p>books of all types except VAT exempt books ; magnetic tapes, disks; not-yet processed aqua products; sugar and by-products of sugar production including sugar sediment and residue; products made from jute, sedge, bamboo and thatch; semi-processed cotton; feed for cattle, poultry and other domesticated animals; technological and scientific services; services directly serving agricultural production; coal of all types, stone, sand, gravel.</p> <ul style="list-style-type: none"> <li>• Certain basic chemicals; mechanical products (except for consumption mechanical products); moulds of all types; explosive materials; grindstones; newsprint; pressurized spray canisters; rubber latex in semi-processed form; colophony in semi-processed form; artificial hard board; industrial concrete products as bridge beam and house frames, concrete pillars, concrete high- tension poles, concrete culvert, pipeline, concrete boxes of all types, panel and non- standardized prefabricated building components, concrete products; tire and sets of tires and tubes of size 900-20 or more; neutral glass tubes; net, rope and fiber for weaving fishing net.</li> <li>• Products from metallurgy, rolling and drawing of ferrous, non- ferrous and precious metals, except for imported gold.</li> <li>• Automatic data processing machines and their parts and components.</li> <li>• Maintenance, repair and restoration of historical or cultural relics, museums; transportation, loading and unloading; dredging of channels, waterways, river ports and seaports, recovery of sunken property and salvage.</li> <li>• Distribution and screening of video films, except documentary video films.</li> </ul> <p>c) 10% applied for:</p> <ul style="list-style-type: none"> <li>• Postal and telecommunication services, except postal and telecommunication services</li> </ul>

## Vietnam: Summary of the Tax System (continued), August 2006

Nature of the Tax	Tax Deductions and Exemptions	Rates
		and popularization of internet under the Government's program.
		<ul style="list-style-type: none"> <li>• Hotels, tourism, restaurants; construction and installation.</li> <li>• Gold, silver and gemstone, except for imported gold; shipping agencies; broker services.</li> <li>• Other goods and services.</li> </ul>
<b>5. Special Consumption Taxes (excise tax)</b>		
Tax base is the tax-exclusive sale price, which is calculated as follows:		
SCT payable= SCT calculation price x SCT rates		
SCT calculation price = sale price / (1 + tax rate).		
Sale price is VAT exclusive price		
Taxable price for processing goods is determined based on the selling price (exclusive of SCT and VAT);		
For bottled liquors, bottled beer and canned beer		
SCT calculation price = ( Sales price – Value of empty bottles or can)/ (1+ SCT rates)		
Goods and services that are subject to SCT		
a) Cigarettes, cigars		
b) Beer		
c) Alcoholic beverages other than beer		
d) Cars (including cars of less than 24 seats sold to export processing enterprises);		
e) Gasoline		
f) Air conditioning equipment (90,000 BTU or less)		
g) Playing cards		
h) Votive paper and products		
i) Massage, karaoke, and dance-hall business		
j) Casino businesses and jackpot machines		
k) Operating betting entertainment		
l) Golf course membership and playing fees		
m) Lotteries		
	<b>Rates of SCT</b>	<b>SCT rates</b>
	<b>Goods and Services</b>	
	Cigars	65%
	Cigarettes	55%
	Spirits from 40% and above	65%
	Spirits from 20% to below 40%	30%
	Spirits below 20%	20%
	Canned and bottled beer	75%
	Draught beer	30%
	Automobiles of 5 seats or less	50%
	Automobiles of 6 seats to 15 seats	30%
	Automobiles of 16 seats to under 24 seats	15%
	Air conditioner from 90,000 BTU or less	15%
	Assorted types of petrol, naphtha, reformat components and other used to mix in petrol	10%
	Playing card	40%
	Votive paper	70%
	<b>Services</b>	
	Dancing halls, massage lounges , karaoke	30%
	Casino, jackpot	25%
	Operating betting entertainment	25%
	Golf course membership and tickets	10%
	Lotteries	15%

## Vietnam: Summary of the Tax System (continued), August 2006

Nature of the Tax	Tax Deductions and Exemptions	Rates
<p>Deadline for submission of SCT finalization is 45 days calculated from the calendar year end; and deadline for payments of monthly SCT is no later than the 25<sup>th</sup> day of the following month.</p> <p><b>6. Import and Export Duty</b></p> <p><b>a) Import Duty</b></p> <ul style="list-style-type: none"> <li>• Import taxable price is the actual price payable at the first import border gate pursuant to the contract, consistent with international undertakings.</li> </ul>	<p>Duty exempt imports and exports include:</p> <ul style="list-style-type: none"> <li>• Temporary imports for re-export or temporary exports for re-import.</li> <li>• Goods which are moveable assets.</li> <li>• Exports and imports of foreign organizations and individuals enjoying diplomatic immunities in Vietnam at levels stipulated by the Government consistent with international treaties of which the Socialist Republic of Vietnam is a member.</li> <li>• Goods imported for processing for a foreign party which are exported or goods exported overseas for processing for a Vietnamese party which are re-imported pursuant to a processing contract.</li> <li>• Goods which are imported or exported within the quantity of duty-free baggage of individuals upon exit from or entry into Vietnam.</li> <li>• Goods which are imported in order to form fixed assets of a project which is an encouraged investment or of a project which is funded by Official Development Aid (ODA), comprising             <ol style="list-style-type: none"> <li>a) Equipment and machinery;</li> <li>b) Specialized means of transportation of a technological line and means of transportation used for transporting employees;</li> <li>c) Components, details, separate sections, spare parts, fittings, moulds and accessories accompanying the equipment, machinery and specialized means of transportation referred to in sub-clauses (a) and (b) of this clause;</li> <li>d) Raw materials and materials used to manufacture equipment and machinery in technological lines or to manufacture</li> </ol> </li> </ul>	<p>Import duty rates (which may be normal, preferential or especially preferential rates): 0%, 1%, 3%, 5%, 7%, 10%, 15%, 20%, 30%, 40%, 50%, 65%, and maximum of 100%. Details are as follows:</p> <ul style="list-style-type: none"> <li>• Ordinary rates apply to non-MFN (Most Favored Nation) imports and are equal to 1.5 times preferential rates.</li> <li>• Preferential rates apply to MFN (and most) imports.</li> <li>• 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).</li> </ul> <p>Discretionary additional tax is imposed in case of:</p> <ul style="list-style-type: none"> <li>• Imported quantity beyond a certain level.</li> <li>• Import dumping.</li> <li>• Imports subsidized by exporting country, thus hindering domestic production.</li> <li>• Imports from countries imposing strict import tax policy on Vietnamese exports.</li> </ul>

**Vietnam: Summary of the Tax System (continued), August 2006**

Nature of the Tax	Tax Deductions and Exemptions	Rates
	<p>components, details, separate sections, spare parts, fittings, moulds and accessories accompanying the equipment and machinery referred to in sub-clause (a) of this clause;</p> <p>e) Construction materials which are not yet domestically produced;</p> <p>f) Goods, equipment, and facilities imported for the first time pursuant to the list stipulated by the Government for investment projects for hotels, offices, apartments for lease, residential housing, commercial centers, technical services, supermarkets, golf courses, tourist resorts, sporting resorts, entertainment areas, medical diagnosis and treatment establishments, and entities providing training, cultural, financial, banking, insurance, auditing, and consultancy services.</p>	
	<p>The exemptions from import duty applicable to the imports referred to in sub-clauses (a), (b), (c), (d) and (e) of this clause shall also apply to cases of expanding the scale of a project and of replacing and renewing technology.</p> <ul style="list-style-type: none"> <li>• Some agricultural species imported for investment projects as regulated.</li> <li>• Goods imported for BOT and subcontractors of BOT, BTO, BT include:             <ol style="list-style-type: none"> <li>a) Machinery and equipment to form fixed assets, including those used for exploration, design and construction projects;</li> <li>b) Specialized means of transportation for high-technology projects and means of transportation used for transporting employees;</li> <li>c) Components, details, separate sections, spare parts, fittings, moulds and accessories accompanying the equipment, machinery and specialized means of transportation,</li> <li>d) Raw materials and materials used to</li> </ol> </li> </ul>	

**Vietnam: Summary of the Tax System (continued), August 2006**

Nature of the Tax	Tax Deductions and Exemptions	Rates
	<p>implement projects and their operations;</p> <ul style="list-style-type: none"> <li>• Goods imported in order to support petroleum operations, comprising:               <ol style="list-style-type: none"> <li>a) Equipment, machinery, replacement accessories and specialized means of transportation which are essential for petroleum operations;</li> <li>b) Materials which are essential for petroleum operations and which cannot yet be produced domestically.</li> </ol> </li> <li>• Goods which are imported for direct use in scientific research and development of technology, including machinery, equipment, accessories, materials and means of transportation which cannot yet be produced domestically, and technology which is not available domestically; and scientific books and data.</li> <li>• Raw materials, materials and component parts imported for production of projects on the list of sectors where investment is especially encouraged or on the list of regions with especially difficult socio-economic conditions shall be exempted from import duty for a duration of five years from the commencement of production.</li> <li>• Goods which are manufactured, processed, recycled or assembled in non-tariff zones without using raw materials or component parts which are imported from abroad, upon import thereof into the domestic market; in the case where raw materials and component parts imported from abroad are used, upon import of goods into the domestic market, import duty must be paid on that part of the goods which is imported raw materials or component parts which form a constituent part of such goods.</li> <li>• Other cases pursuant to a decision of the Prime Minister.</li> </ul>	
<b>b) Export duty</b>		

## Vietnam: Summary of the Tax System (continued), August 2006

Nature of the Tax	Tax Deductions and Exemptions	Rates
Export taxable value is determined as contract selling price at export gate (FOB).		Export duty rates:
Commodities subject to current export duty include:		<ul style="list-style-type: none"> <li>• Crude oil: 4% (subject to changes from time to time)</li> <li>• Wood and wood products: 5%, 10%</li> <li>• Cashew nuts: 4%</li> <li>• Minerals: 1%, 2%, 5%, 10%, 20%</li> <li>• Gemstones: 1%, 3%, 5%</li> <li>• Metallic wastage: 35%, 40%, 45%</li> <li>• Semi-product metals: 2%, 5%</li> <li>• Hides, skins, live animals: 10%</li> <li>• Botanic materials (rattan, etc.): 3%, 10%</li> </ul>
<ul style="list-style-type: none"> <li>• Crude oil</li> <li>• Wood and wood products</li> <li>• Cashew nuts</li> <li>• Minerals</li> <li>• Precious and semi-precious gemstones</li> <li>• Metallic wastage</li> <li>• Uncompleted metals</li> <li>• Hides, skins, live animals</li> <li>• Botanical materials (rattan, etc)</li> </ul>		
<b>7. Profit Remittance Tax</b>		<b>Abolished from 1 January 2004.</b>
<b>8. License Tax</b>		
Annual license tax for all enterprises (the Decree 75/2002/ND-CP dated 30 August 2002 and various Circulars of the MOF)	Certain exemptions and 50% reductions of license tax are available.	Annual license tax is calculated based on the registered capital of the relevant enterprise, as follows: <ul style="list-style-type: none"> <li>• Registered capital more than VND10 billion: VND3 million.</li> <li>• Registered capital from more than VND5 billion to less than VND10 billion: VND2 million.</li> <li>• Registered capital from more than VND2 billion to less than VND5 billion: VND1.5 million.</li> </ul> Registered capital of less than VND2 billion: VND1 million.
<b>9. Slaughter Tax</b>		
Based on market value of slaughtered buffaloes, cows and pigs		Abolished (Circular 15/1999/TT- BTC dated 4 February 1999 of the Ministry of Finance
<b>10. Tax for Use of Agricultural Land</b>		
Based on area and category of agricultural land, the tax rate is calculated in paddy.	10.1. Exemptions according to the Law on agricultural tax (1993) and its amendment in 1999:	Annual crops <u>Category of land</u> <u>Tax (kg.paddy/</u>

## Vietnam: Summary of the Tax System (continued), August 2006

Nature of the Tax	Tax Deductions and Exemptions	Rates																								
<p>Category of land is determined based on following:</p> <ul style="list-style-type: none"> <li>• quality</li> <li>• location</li> <li>• region (field, middle, mountain)</li> <li>• weather</li> <li>• irrigation supply and drainage situation</li> </ul> <p>Category of land will be valid in ten years.</p> <p>Tax is calculated in paddy but collected in dong currency (paddy price is regulated by provincial people's committees).</p>	<p>a) barren hills and land used for agricultural production</p> <p>b) reclaimed land used for:</p> <ul style="list-style-type: none"> <li>• annual crops: 5 years; 7 years of exemption will be applied for marsh and sea-encroaching areas.</li> <li>• perennial crops: during capital construction plus 3 years from time crops start yielding output; 6 years for marsh and sea-encroaching areas.</li> </ul> <p>c) target groups of social policies</p> <ul style="list-style-type: none"> <li>• for farmer households in mountains, border, and island areas and minorities.</li> <li>• invalid or elderly farmer households without any support.</li> <li>• martyr families that are being subsidized by the state</li> <li>• households of war invalids of the level 1/4 and 2/4 and sick soldiers of the level 1/3 and 2/3.</li> <li>• Tax reduction for other types of household of difficultes, which will be considered.</li> </ul> <p>d) Tax exemption and reduction due to calamities; tax on agricultural land use would be exempted or reduced in crop basis as follows:</p> <ul style="list-style-type: none"> <li>• damage from 10-20%: tax reduction according to the rate of damage</li> <li>• damage from 20-30%: reduction of 60%</li> <li>• damage from 30-40%: reduction of 80%</li> <li>• damage of 40% or more: tax exempted (100%)</li> </ul> <p>10.2. Exemptions according to Decree 129/2003/ND-CP dated 3 November 2003 (effective during 2003-10) on the exemption from agricultural tax</p> <ul style="list-style-type: none"> <li>• Exemption within bounds of agricultural land areas provided by legal regulations on land: Household, individual farmer is granted land use right for agricultural production by the state, by agricultural forest cooperatives under long term contracts, or contribute granted land use right to establish agricultural co-operatives.</li> <li>• Exemption 100%: poor household, agricultural households in communes of very difficult social</li> </ul>	<table border="0"> <tr> <td style="text-align: center;">1</td> <td style="text-align: center;">550</td> </tr> <tr> <td style="text-align: center;">2</td> <td style="text-align: center;">460</td> </tr> <tr> <td style="text-align: center;">3</td> <td style="text-align: center;">370</td> </tr> <tr> <td style="text-align: center;">4</td> <td style="text-align: center;">280</td> </tr> <tr> <td style="text-align: center;">5</td> <td style="text-align: center;">180</td> </tr> <tr> <td style="text-align: center;">6</td> <td style="text-align: center;">50</td> </tr> </table> <p>Perennial and long-term crops</p> <table border="0"> <tr> <td style="text-align: center;"><u>Category of land</u></td> <td style="text-align: center;"><u>Tax ( kg paddy/hectare)</u></td> </tr> <tr> <td style="text-align: center;">1</td> <td style="text-align: center;">650</td> </tr> <tr> <td style="text-align: center;">2</td> <td style="text-align: center;">550</td> </tr> <tr> <td style="text-align: center;">3</td> <td style="text-align: center;">400</td> </tr> <tr> <td style="text-align: center;">4</td> <td style="text-align: center;">200</td> </tr> <tr> <td style="text-align: center;">5</td> <td style="text-align: center;">80</td> </tr> </table> <p>As for wood tree and perennial trees that are harvested one time only, tax rate is 4% of the output value.</p>	1	550	2	460	3	370	4	280	5	180	6	50	<u>Category of land</u>	<u>Tax ( kg paddy/hectare)</u>	1	650	2	550	3	400	4	200	5	80
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**Vietnam: Summary of the Tax System (continued), August 2006**

Nature of the Tax	Tax Deductions and Exemptions	Rates
<p><b>11. Land and housing tax</b> Ordinance on Residential Housing—Land Tax dated July 31, 1992 (as amended on June 3, 1994), Decree 94/CP dated 25 August 1994, Circular 83TC/TCT dated 7 October 1994 and Circular 71/2002/TT-BTC dated 19 August 2002.</p> <p>Implementation of this tax has been temporarily suspended under the current provisions of the Ordinance on Residential Housing—Land Tax; the ordinance is to be supplemented with provisions on implementation when conditions for collection of the housing tax are deemed to have been satisfied.</p>	<p>economic conditions.</p> <ul style="list-style-type: none"> <li>• Exemption 50%: Other cases.</li> </ul> <p>Exemptions are:</p> <ul style="list-style-type: none"> <li>• Land authorized for public works; religious sites.</li> <li>• Temporary exemptions are:               <ul style="list-style-type: none"> <li>• Land used for building of administrative offices.</li> <li>• Land in mountainous areas which are exempted from the agricultural land use tax.</li> <li>• Residential land of war invalids of 1/4 and 2/4 level and families of fallen combatants who are entitled to state subsidies.</li> <li>• Residential land of disabled persons, minors and elderly people without family support.</li> </ul> </li> </ul> <p>Tax reduction or exemption will be considered for households in financial difficulty due to natural disasters, wars or other contingencies.</p>	<ul style="list-style-type: none"> <li>• Land used for buildings/housing in the cities and towns: tax rate is between 3 times and 32 times of the highest level of agricultural tax recorded in the same region.</li> <li>• Land used for buildings/housing in the suburb of cities and towns and beside highways or main roads: tax rate is between 1.5 times and 2.5 times of the highest level of agricultural tax recorded in the same region.</li> <li>• Land used for buildings/ housing in the rural and mountain areas: tax rate is 1 equal to the highest level of agricultural tax recorded in the same region.</li> </ul>
<p><b>12. Land Use Charge</b> Decree 198/2004/ND-CP dated December 3, 2004 and Circular 117/2004/TT-BTC dated December 7, 2004.</p> <p>All land belongs to the state, and is granted for use for specified period to individuals and corporations.</p> <p>Land user fee will be charged at the time the state grants the right to use land and again for the issuance of Land Use Right Certificate. Thereafter, land user fee will be charged if the purpose of the land use is changed, and for building industrial parks, high tech zones, and economic zones.</p> <p>Land user fee will be determined by the location of land, prevailing land price, and the duration of land use.</p>	<p>Exemptions :</p> <ul style="list-style-type: none"> <li>• Land used under investment promotion schemes provided by the law on investment.</li> <li>• Land used for high-rise buildings for industrial zone worker and school/college dormitories for students. Land used to build houses for minority groups in special difficult-to-live areas and for displaced people due to disasters.</li> <li>• Land used for building public works with business orientation in education, health care, sport, and culture.</li> <li>• Land used within the originally granted land (exemption applies also for changes in land use purposes) for revolutionaries armed forces heroes, Vietnamese heroic mothers, labor heroes, martyr families, and disabled soldiers who lost 81% and more of working capability. under the decision of the Prime Minister.</li> <li>• Land used by household/individuals who were granted land under the old regime with Land Used Right Certificate issued before 15/10/1993. Outstanding fees from the old regime are exempted.</li> </ul>	

## Vietnam: Summary of the Tax System (continued), August 2006

Nature of the Tax	Tax Deductions and Exemptions	Rates												
	<ul style="list-style-type: none"> <li>Other cases according to decisions of the Prime Minister.</li> </ul> <p>Reduction:</p> <ul style="list-style-type: none"> <li>50% reduction for land use within the originally granted land for the poor household.</li> <li>20% reduction for land use by enterprises relocated due to government planning/zoning.</li> <li>Land granted within the originally granted land for revolutionaries which are not in the list of the exemption list noted above.</li> <li>Other cases according to decisions of the Prime Minister.</li> </ul>													
<p><b>13. Land Use Right Transfer Tax</b> Based on the transfer of land use right.</p>	<p>Exemptions are (Law No 17/1999/QH10 promulgated on 21 December 1999):</p> <ul style="list-style-type: none"> <li>Transfer of land use rights by households or individuals moving to new economic zones, mountainous areas, or islands under the decision of competent authorities</li> <li>Women who are a 'Vietnamese Heroic Mother'</li> <li>Transfers in communes of mountainous areas or islands as regulated by the Government</li> <li>Swaps between agricultural, forestry, fisheries and salt production land</li> <li>Economic entities that are provided land by the Government to develop infrastructure and which paid land user charge</li> <li>A 50% reduction is given for: <ul style="list-style-type: none"> <li>War invalids of level 1/4 and 2/4 or sick soldiers of level 1/3 and 2/3</li> <li>Martyr households that are subsidized by the State</li> <li>Handicapped, pre-mature and elderly people with no support</li> </ul> </li> </ul>	<p>Households/ individuals:</p> <ul style="list-style-type: none"> <li>For land used for agricultural, forestry, fisheries and salt production, the tax rate is 2%</li> <li>For other types of land: tax rate is 4%</li> </ul> <p>Business entities: according to Decree 164/2003/ND-CP dated 22 December 2003: Subject to Corporate Income.</p> <p>Tax rate of 28% (Taxable Income= Total (sale) turnovers – total deductible expenses).</p> <p>In addition, the remaining income is subject to Corporate Income Tax as follows:</p> <table style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th style="text-align: left;"><u>After Tax Profits/Expenses</u></th> <th style="text-align: left;"><u>Tax Rate</u></th> </tr> </thead> <tbody> <tr> <td>Up to 15%</td> <td>0%</td> </tr> <tr> <td>More than 15% to 30%</td> <td>10%</td> </tr> <tr> <td>More than 30% to 45%</td> <td>15%</td> </tr> <tr> <td>More than 45% to 60%</td> <td>20%</td> </tr> <tr> <td>More than 60%</td> <td>25%</td> </tr> </tbody> </table>	<u>After Tax Profits/Expenses</u>	<u>Tax Rate</u>	Up to 15%	0%	More than 15% to 30%	10%	More than 30% to 45%	15%	More than 45% to 60%	20%	More than 60%	25%
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**Vietnam: Summary of the Tax System (concluded), August 2005**

Nature of the Tax	Tax Deductions and Exemptions	Rates
<p><b>14. Registration Fees</b> Assets of organizations and individuals in the groups that have to register the ownership and user-rights are subject to registration fees (Decree 47/2003/ND-CP dated 12 May 2003).</p>		<ul style="list-style-type: none"> <li>• Housing and land: 1%</li> <li>• Boats, ships: 1% (off-shore fishing boats: 0.5%)</li> <li>• Automobiles, motorcycles, hunting and sport guns: 2%</li> </ul>
<p><b>15. Fess and Tolls</b> Ordinance on Fees and Tolls No 38/2001/PL-UBTVQH10 dated 28 August 2001, Decree 57/2002/ND-CP dated June 3, 2002 and Decree 24/2006/ND-CP of March 6, 2006 amending Decree 57. Fees are paid for services. Tolls are paid in relation to State administrative management.</p>		<p>The maximum level of above fees shall be VN500 million per asset.</p> <p>Fees are levied in the following fields, inter alia:</p> <ul style="list-style-type: none"> <li>• Agriculture, forestry, marine products</li> <li>• Industry, construction</li> <li>• Trade, investment</li> <li>• Transportation</li> <li>• Etc.</li> </ul> <p>Tolls are levied in the following fields, inter alia:</p> <ul style="list-style-type: none"> <li>• Immigration</li> <li>• Asset registration</li> <li>• Business registration</li> <li>• Etc.</li> </ul>