

Vietnam: Statistical Appendix

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VIETNAM

Statistical Appendix

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Approved by Asia and Pacific Department

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Vietnam: Basic Data

Nominal GDP (2006): US\$60.9 billion
Population (2006): 84.15 million

GDP per capita (2006): US\$723
Fund quota: SDR 329.1 million

	2002	2003	2004	2005	2006
Real GDP (annual percentage change)	7.1	7.3	7.8	8.4	8.2
Saving-investment balance (in percent of GDP)	-1.9	-4.9	-3.4	-0.9	-0.3
Gross national saving	31.3	30.6	32.0	34.6	35.0
Private	23.9	23.3	23.6	28.0	27.3
Public	7.4	7.3	8.4	6.7	7.7
Gross investment	33.2	35.4	35.5	35.6	35.3
Private	21.5	20.8	22.9	22.3	23.0
Public	11.7	14.7	12.6	13.3	12.3
Inflation (annual percentage change)					
Period average	4.0	3.2	7.7	8.3	7.5
End of period	4.0	2.9	9.7	8.8	6.6
GDP deflator	4.0	6.7	8.2	8.2	7.3
General government					
Official budget balance	-1.4	-1.2	0.9	-1.2	-0.3
Revenue and grants	22.7	24.9	26.7	25.9	27.1
of which: oil revenue	6.8	7.0	7.9	8.7	9.7
Expenditure	24.2	26.1	25.8	27.0	27.5
Off-budget expenditure and net lending	3.3	5.2	3.7	4.7	3.5
Net lending	2.4	3.2	2.4	2.7	2.1
ODA	0.9	1.5	1.4	0.8	1.4
VDB	1.5	1.7	1.0	0.5	0.7
Sovereign bond-financed lending to SOEs	0.0	0.0	0.0	1.4	0.0
Off-budget investment expenditure	0.9	2.0	1.3	2.0	1.3
Overall fiscal balance including off-budget expenditure	-4.7	-6.4	-2.8	-5.9	-3.8
Non-oil overall fiscal deficit	-11.5	-13.5	-10.7	-14.6	-13.5
Money and credit (annual percentage change, end of period)					
Broad money	17.6	24.9	29.5	29.7	33.6
Credit to the economy	22.2	28.4	41.6	31.7	25.4
Reserve money	12.4	27.4	16.1	23.7	32.2
Interest rates (in percent, end of period)					
Nominal three-month deposit rate (households)	7.0	6.3	6.7	7.8	7.9
Nominal short-term lending rate (less than one year)	9.9	10.0	10.7	12.0	11.8
Real three-month deposits rate (households)	2.4	3.6	-3.0	-0.6	1.1
Real short-term lending rate (less than one year)	5.2	7.3	0.6	3.2	4.7
Current account balance (including official transfers)					
(in millions of U.S. dollars)	-676	-1,935	-1,565	-497	-164
(in percent of GDP)	-1.9	-4.9	-3.4	-0.9	-0.3
Exports f.o.b (annual percentage change, U.S. dollar terms)	11.2	20.6	31.4	22.5	22.7
Imports f.o.b. (annual percentage change, U.S. dollar terms)	22.1	28.0	26.6	21.2	22.1
Foreign exchange reserves (in millions of U.S. dollars, end of period)					
Gross official reserves, including gold	3,692	5,619	6,314	8,557	11,483
(in weeks of next year's imports of GNFS)	7.2	8.7	8.4	9.4	10.4
External debt (in percent of GDP) 1/	35.0	33.7	33.5	32.2	30.2
External debt service due (in percent of exports of GNFS)	8.6	7.8	6.0	5.6	5.3
Total public and publicly guaranteed debt (in percent of GDP)	38.2	41.0	42.4	43.8	43.3
Real effective exchange rate (annual percentage change) 2/					
Period average	-1.8	-7.8	-1.3	4.3	3.8
End of period	-5.6	-9.0	1.1	13.0	-2.8
Memorandum items:					
GDP (in trillions of dong at current market prices)	535.8	613.4	715.3	839.2	973.8
Per capita GDP (in U.S. dollars)	440	492	553	636	723

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

1/ It includes private debt.

2/ A positive number indicates an appreciation.

Table 1. Vietnam: Gross Domestic Product by Expenditure Categories at Current Prices, 2002–06

	2002	2003	2004	2005	2006 Est.
	(In billions of dong)				
Consumption	382,137	445,221	511,221	584,793	668,540
Private	348,747	406,451	465,506	533,141	611,206
Government	33,390	38,770	45,715	51,652	57,334
Investment	177,983	217,434	253,686	298,543	347,900
Gross capital formation	166,828	204,608	237,868	275,841	319,020
Change in stocks	11,155	12,826	15,818	22,702	28,880
Domestic demand	560,120	662,655	764,907	883,336	1,016,440
Net exports	-27,684	-51,288	-54,000	-35,088	-32,471
Exports	304,262	363,735	470,216	582,069	715,369
Imports	331,946	415,023	524,216	617,157	747,840
Statistical discrepancy 1/	3,326	2,076	4,400	-9,037	-10,179
GDP	535,762	613,443	715,307	839,211	973,790
	(In percent of GDP)				
Consumption	71.3	72.6	71.5	69.7	68.7
Private	65.1	66.3	65.1	63.5	62.8
Government	6.2	6.3	6.4	6.2	5.9
Investment	33.2	35.4	35.5	35.6	35.7
Gross capital formation	31.1	33.4	33.3	32.9	32.8
Change in stocks	2.1	2.1	2.2	2.7	3.0
Domestic demand	104.5	108.0	106.9	105.3	104.4
Net exports	-5.2	-8.4	-7.5	-4.2	-3.3
Exports	56.8	59.3	65.7	69.4	73.5
Imports	62.0	67.7	73.3	73.5	76.8
Statistical discrepancy 1/	0.6	0.3	0.6	-1.1	-1.0
	(Annual percentage change)				
Consumption	11.5	16.5	14.8	14.4	14.3
Private	11.7	16.5	14.5	14.5	14.6
Government	9.6	16.1	17.9	13.0	11.0
Investment	18.6	22.2	16.7	17.7	16.5
Gross capital formation	18.9	22.6	16.3	16.0	15.7
Domestic demand	13.7	18.3	15.4	15.5	15.1
Exports	15.8	19.5	29.3	23.8	22.9
Imports	21.2	25.0	26.3	17.7	21.2
GDP	11.3	14.5	16.6	17.3	16.0
	(Contribution to nominal GDP growth, in percent)				
Domestic demand	123.9	132.0	100.4	95.6	98.9
Private consumption	67.2	74.3	58.0	54.6	58.0
Fixed capital formation	48.7	48.6	32.7	30.6	32.1
Change in stocks	2.6	2.2	2.9	5.6	4.6
Net exports	-30.7	-30.4	-2.7	15.3	1.9
Statistical discrepancy 1/	6.8	-1.6	2.3	-10.8	-0.8
GDP	100.0	100.0	100.0	100.0	100.0

Source: General Statistics Office.

1/ 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, 2002–06 1/

	2002	2003	2004	2005	2006 Est.
(In billions of dong)					
Gross Domestic Product	535,762	613,443	715,307	839,211	973,790
State	205,652	239,736	279,704	322,241	363,449
(excluding state management) 2/	191,836	223,060	260,643	299,203	336,712
Nonstate	330,110	373,707	435,603	516,970	610,341
Agriculture	123,383	138,285	155,993	175,984	198,226
State	4,770	5,040	...	...	...
Nonstate	118,613	127,153	...	...	...
Industry and construction	206,197	242,126	287,616	344,224	404,753
State	92,149	108,043	...	...	...
Nonstate	114,048	133,890	...	...	...
Services	206,182	233,032	271,698	319,003	370,771
State	108,732	123,582	...	...	...
(excluding state management) 2/	94,916	106,907	...	...	...
Nonstate	97,450	107,878	...	...	...
Wholesale and retail trade	75,617	83,297	96,995	113,768	132,794
Hotels and restaurants	17,154	18,472	22,529	29,329	35,861
Transport, storage and communication	21,095	24,725	30,402	36,629	43,825
Financial intermediation	9,763	10,858	12,737	15,072	17,607
Scientific activities and technology	3,009	3,694	4,315	5,247	6,059
Real estate services	24,452	27,287	31,304	33,635	36,814
Public administration, defense, and compulsory social security	13,816	16,676	19,061	23,038	26,737
Education and training	18,071	21,403	23,335	26,948	30,718
Health and social work	7,057	8,865	10,851	12,412	14,093
Other services	16,148	17,755	20,169	22,925	26,263
(In percent of GDP)					
State sector	38.4	39.1	39.1	38.4	37.3
(excluding state management) 2/	35.8	36.4	36.4	35.7	34.6
Nonstate sector	61.6	60.9	60.9	61.6	62.7
Agriculture	23.0	22.5	21.8	21.0	20.4
State	0.9	0.8	...	...	...
Nonstate	22.1	20.7	...	...	...
Industry and construction	38.5	39.5	40.2	41.0	41.6
State	17.2	17.6	...	...	...
Nonstate	21.3	21.8	...	...	...
Services	38.5	38.0	38.0	38.0	38.1
State	20.3	20.1	...	...	...
(excluding state management) 2/	17.7	17.4	...	...	...
Nonstate	18.2	17.6	...	...	...
Wholesale and retail trade	14.1	13.6	13.6	13.6	13.6
Hotels and restaurants	3.2	3.0	3.1	3.5	3.7
Transport, storage and communication	3.9	4.0	4.3	4.4	4.5
Financial intermediation	1.8	1.8	1.8	1.8	1.8
Scientific activities and technology	0.6	0.6	0.6	0.6	0.6
Real estate services	4.6	4.4	4.4	4.0	3.8
Public administration., defense, and compulsory social security	2.6	2.7	2.7	2.7	2.7
Education and training	3.4	3.5	3.3	3.2	3.2
Health and social work	1.3	1.4	1.5	1.5	1.4
Other services	3.0	2.9	2.8	2.7	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, 2002–06

	2002	2003	2004	2005	2006 Est.
(In billions of dong, at 1994 constant prices)					
Agriculture, forestry, and fishery	68,352	70,827	73,917	76887	79505
Agriculture	57,912	59,761	62,107	64,072	65892
Forestry	2,568	2,589	2,610	2,635	2,665
Fishery	7,872	8,477	9,200	10,181	10948
Industry	117,125	129,399	142,621	157,867	174239
Mining and quarrying	19,396	20,611	22,437	22,854	23037
Manufacturing	63,983	71,363	79,116	89,338	100396
Electricity, gas, and water supply	7,992	8,944	10,015	11,247	12574
Construction	25,755	28,481	31,053	34,428	38232
Services	127,770	136,016	145,897	158,276	171391
Wholesale and retail trade	51,245	54,747	59,027	63,950	69418
Hotels and restaurants	10,125	10,646	11,511	13,472	15145
Transport, storage, and communications	12,252	12,925	13,975	15,318	16870
Financial intermediation	6,424	6,935	7,495	8,197	8867
Science and technology	1,909	2,044	2,196	2,368	2543
Real estate services	13,106	13,796	14,396	14,816	15252
State management 1/	8,768	9,228	9,773	10,477	11270
Education and training	10,475	11,260	12,125	13,127	14231
Health and social work	4,464	4,853	5,234	5,640	6082
Other services	9,002	9,582	10,165	10,911	11713
Gross Domestic Product	313,247	336,242	362,435	393,031	425,135
(Real GDP, annual percentage change)					
Agriculture, forestry, and fishery	4.2	3.6	4.4	4.0	3.4
Agriculture	4.1	3.2	3.9	3.2	2.8
Forestry	0.5	0.8	0.8	0.9	1.1
Fishery	5.7	7.7	8.5	10.7	7.5
Industry	9.5	10.5	10.2	10.7	10.4
Mining and quarrying	1.1	6.3	8.9	1.9	0.8
Manufacturing	11.6	11.5	10.9	12.9	12.4
Electricity, gas, and water supply	11.4	11.9	12.0	12.3	11.8
Construction	10.6	10.6	9.0	10.9	11.0
Services	6.5	6.5	7.3	8.5	8.3
Wholesale and retail trade	7.3	6.8	7.8	8.3	8.6
Hotels and restaurants	7.1	5.1	8.1	17.0	12.4
Transport, storage, and communications	7.1	5.5	8.1	9.6	10.1
Financial intermediation	7.0	8.0	8.1	9.4	8.2
Real estate services	3.8	5.3	4.4	2.9	2.9
State management 1/	3.9	5.2	5.9	7.2	7.6
Education and training	8.1	7.5	7.7	8.3	8.4
Health and social work	7.5	8.7	7.9	7.8	7.8
Other services	4.8	6.4	6.1	7.3	7.4
Gross Domestic Product	7.1	7.3	7.8	8.4	8.2
(GDP deflator, annual percentage change)					
Agriculture, forestry, and fishery	5.9	8.2	8.1	8.5	8.9
Agriculture	5.5	6.8	7.7	8.2	9.1
Forestry	6.2	18.6	20.1	5.8	6.0
Fishery	7.5	10.1	4.9	8.4	8.0
Industry	2.6	6.3	7.8	8.1	6.5
Mining and quarrying	2.9	16.9	16.2	20.4	11.5
Manufacturing	3.8	2.0	4.6	5.4	6.4
Electricity, gas, and water supply	1.9	9.1	0.8	2.7	3.2
Construction	2.2	6.3	10.2	7.8	9.0
Services	4.1	6.2	8.7	8.2	7.3
Wholesale and retail trade	4.0	3.1	8.0	8.3	7.5
Hotels and restaurants	4.0	2.4	12.8	11.2	8.8
Transport, storage, and communications	1.4	11.1	13.7	9.9	8.6
Financial intermediation	4.2	3.0	8.5	8.2	8.0
Real estate services	9.2	6.0	9.9	4.4	6.3
State management 1/	4.0	14.7	7.9	12.7	7.9
Education and training	2.9	10.2	1.2	6.7	5.1
Health and social work	2.3	15.6	13.5	6.2	5.3
Other services	3.8	3.3	7.1	5.9	6.7
Gross Domestic Product	4.0	6.7	8.2	8.2	7.3

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, 2002–07 1/
(Index, 2001=100, unless otherwise indicated)

	Overall index		Food			Nonfood				Transport, Post, Telecom.
	Inflation 2/ Weight (in percent)		Staples	Other Food	Drinks & Tobacco	Clothes, Footwear	Household Goods	Housing, Construction		
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/ Average	8.8 8.3	129.1 125.1	140.5 136.8	145.9 140.9	116.1 114.3	115.2 112.4	112.0 109.7	132.7 126.5	109.4 105.2	
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	
August	7.5	135.3	148.4	153.7	120.5	119.7	116.3	139.7	114.4	
September	6.9	135.7	149.0	152.7	120.9	120.5	116.8	140.9	116.2	
October	6.7	136.0	151.0	153.0	121.3	121.0	117.4	140.1	114.2	
November	6.9	136.9	156.6	153.7	122.3	121.0	118.2	139.9	113.6	
December	6.6	137.6	160.4	153.9	122.2	121.9	119.0	140.6	113.7	
Average	7.5	143.3	168.3	163.2	126.5	125.4	121.9	149.8	115.9	
2007 January	6.5	139.0	163.3	155.3	124.2	123.1	119.6	144.9	113.8	
February	6.5	142.0	167.8	161.2	127.3	124.7	120.9	147.6	113.9	
March	6.8	141.7	167.7	160.2	126.4	124.4	121.0	147.5	114.5	
April	7.2	142.4	167.6	161.3	126.2	125.0	121.6	148.9	115.7	
May	7.3	143.5	168.6	162.9	126.4	125.6	122.3	150.2	116.4	
June	7.8	144.7	169.3	165.2	126.6	126.2	122.8	152.2	117.4	
July	8.4	146.1	170.2	169.0	127.0	126.8	123.4	153.3	117.6	
August	8.6	146.9	171.7	170.6	127.6	127.3	123.7	153.5	117.8	
Average	7.4	143.3	168.3	163.2	126.5	125.4	121.9	149.8	115.9	

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, 2002–06

	2002	2003	2004	2005	2006 Est.
(In billions of dong, at constant 1994 prices)					
Total	119,260	124,693	129,861	134,007	138,824
Food crops	75,814	77,611	80,810	82,313	83,244
Paddy and other cereals	59,619	61,029	63,621	63,853	64,193
Vegetables and beans	7,771	8,030	8,284	8,928	9,401
Fruits	6,895	7,017	7,355	7,943	8,037
Other	1,529	1,535	1,551	1,589	1,613
Industrial crops	22,247	24,175	25,612	25,586	27,578
Animal husbandry	21,200	22,907	23,439	26,108	28,002
(In percent of total production)					
Food crops	63.6	62.2	62.2	61.4	60.0
Paddy and other cereals	50.0	48.9	49.0	47.6	46.2
Vegetables and beans	6.5	6.4	6.4	6.7	6.8
Fruits	5.8	5.6	5.7	5.9	5.8
Other	1.3	1.2	1.2	1.2	1.2
Industrial crops	18.7	19.4	19.7	19.1	19.9
Animal husbandry	17.8	18.4	18.0	19.5	20.2
(Annual percentage change)					
Total	6.3	4.6	4.1	3.2	3.6
Food crops	8.6	2.4	4.1	1.9	1.1
Paddy and other cereals	8.3	2.4	4.2	0.4	0.5
Vegetables and beans	13.5	3.3	3.2	7.8	5.3
Fruits	7.7	1.8	4.8	8.0	1.2
Other	2.9	0.4	1.0	2.5	1.5
Industrial crops	-3.7	8.7	5.9	-0.1	7.8
Animal husbandry	9.9	8.1	2.3	11.4	7.3

Source: General Statistics Office.

Table 6. Vietnam: Production of Food Staples, 2002–06

	2002	2003	2004	2005	2006 Est.
(In thousands of tons)					
Total production (of cereals)	36,961	37,707	39,581	39,622	39,648
By product					
Rice paddy	34,447	34,569	36,149	35,833	35,827
Spring crop	16,720	16,823	17,078	17,332	17,531
Autumn crop	9,189	9,401	10,431	10,436	9,715
Winter crop	8,539	8,345	8,640	8,065	8,582
Other staples (gross output)	8,653	10,022	10,764	11,946	12,988
Maize	2,511	3,136	3,431	3,787	3,819
Sweet potato	1,704	1,577	1,512	1,443	1,455
Cassava	4,438	5,309	5,821	6,716	7,714
By region					
North	14,082	14,234	15,000	14,355	15,024
South	22,879	23,473	24,581	25,267	24,624
(Annual percentage change)					
Total production	7.8	2.0	5.0	0.1	0.1
Rice paddy	7.3	0.4	4.6	-0.9	0.0
Spring crop	8.0	0.6	1.5	1.5	1.1
Autumn crop	10.3	2.3	11.0	0.0	-6.9
Winter crop	2.8	-2.3	3.5	-6.7	6.4
Other staples	18.1	15.8	7.4	11.0	8.7
Maize	16.2	24.9	9.4	10.4	0.8
Sweet potato	3.0	-7.4	-4.1	-4.6	0.8
Cassava	26.5	19.6	9.6	15.4	14.9
(In thousands of hectares)					
Total area cultivated	8,323	8,367	8,438	8,383	8,358
By product					
Rice paddy	7,504	7,452	7,445	7,329	7,324
Spring crop	3,033	3,023	2,979	2,942	2,989
Autumn crop	2,294	2,320	2,366	2,349	2,323
Winter crop	2,178	2,109	2,101	2,038	2,013
Other staples	1,391	1,505	1,582	1,664	1,689
Maize	816	913	991	1,053	1,032
Sweet potato	238	220	202	185	182
Cassava	337	372	389	426	475
By region					
North	3,077	3,110	3,136	3,132	3,120
South	5,245	5,256	5,302	5,251	5,238
Yield	(In metric tons per hectare)				
By product					
Rice paddy	4.6	4.6	4.9	4.9	4.9
Spring crop	5.5	5.6	5.7	5.9	5.9
Autumn crop	4.0	4.1	4.4	4.4	4.2
Winter crop	3.9	4.0	4.1	4.0	4.3
Other staples	6.2	6.7	6.8	7.2	7.7
Maize	3.1	3.4	3.5	3.6	3.7
Sweet potato	7.2	7.2	7.5	7.8	8.0
Cassava	13.2	14.3	15.0	15.8	16.2
By region					
North	4.6	4.6	4.8	4.6	4.8
South	4.4	4.5	4.6	4.8	4.7
Per capita production					
Total staples (in metric tons per capita)	0.5	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)	6.8	8.3	8.7	9.6	9.6
Total staples (1994 = 100)	149.8	152.8	160.4	160.6	160.7
Rice	146.4	146.9	153.6	152.3	152.3
Other staples (maize)	219.5	274.2	299.9	331.1	333.9
Total staples (annual percentage change)	7.8	2.0	5.0	0.1	0.1
Rice	7.3	0.4	4.6	-0.9	0.0
Other staples (maize)	16.2	24.9	9.4	10.4	0.8

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

Table 7. Vietnam: Industrial Crop Production and Livestock, 2002–06

	2002	2003	2004	2005	2006 Est.
(In thousands of metric tons)					
Production of annual crops					
Cotton	40	35	28	34	26
Jute	20	12	13	13	11
Rush	88	96	90	81	93
Sugarcane	17,120	16,855	15,649	14,949	15,679
Peanuts	400	406	469	489	465
Soybeans	206	220	246	293	258
Tobacco	33	32	23	26	43
Production of perennial crops					
Tea	424	449	514	570	612
Coffee	700	794	836	752	854
Rubber	298	364	419	482	546
Coconut	915	893	960	977	982
Pepper	47	69	73	80	83
(Annual percentage change)					
Cotton	18.8	-11.8	-20.5	21.4	-23.5
Jute	39.7	-41.2	8.3	0.0	-15.4
Rush	36.6	9.0	-6.3	-10.0	14.8
Sugarcane	16.8	-1.5	-7.2	-4.5	4.9
Peanuts	10.3	1.4	15.5	4.3	-4.9
Soybeans	18.4	7.0	11.8	19.1	-11.9
Tobacco	3.8	-3.6	-28.1	13.0	65.4
Tea	24.7	5.9	14.5	10.9	7.4
Coffee	-16.8	13.5	5.3	-10.0	13.6
Rubber	-4.6	22.1	15.1	15.0	13.3
(In thousands of hectares)					
Area cultivated of annual crops	846	835	857	862	843
Of which:					
Cotton	34	28	28	26	21
Jute	10	5	5	6	6
Rush	12	14	13	13	13
Mulberry					
Sugarcane	320	313	286	266	285
Peanuts	247	244	264	270	250
Soybeans	159	166	184	204	186
Tobacco	27	23	16	17	27
Area cultivated of perennial crops	1,492	1,511	1,554	1,634	1,658
Of which:					
Tea	109	116	121	123	123
Coffee	522	510	497	497	489
Rubber	429	441	454	483	512
Coconut	140	134	133	132	133
Pepper	48	51	51.0	49	49
(In output per hectare, in metric tons)					
Cotton	1.2	1.3	1.0	1.3	1.2
Jute	2.1	2.5	2.8	2.2	1.8
Rush	7.2	6.9	7.1	6.2	7.2
Sugarcane	53.5	53.8	54.7	56.2	55.0
Peanut	1.6	1.7	1.8	1.8	1.9
Soybeans	1.3	1.3	1.3	1.4	1.4
Tobacco	1.2	1.4	1.4	1.5	1.6
Tea	3.9	3.9	4.2	4.6	5.0
Coffee	1.3	1.6	1.7	1.5	1.7
Rubber	0.7	0.8	0.9	1.0	1.1
(In millions of heads)					
Livestock					
Buffalo	2.8	2.8	2.9	2.9	2.9
Cattle	4.1	4.4	4.9	5.5	6.5
Pigs (over two months old)	23.2	24.9	26.1	27.4	26.9
Poultry	233.3	254.6	218.2	219.9	214.6

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

Table 8. Vietnam: Gross Value of Industrial Production at Constant Prices, 2002–06 1/

	2002	2003	2004	2005	2006 Est.
(In trillions of dong, at constant 1994 prices)					
Mining	30.3	32.8	37.5	38.4	38.8
Coal	3.2	3.7	4.8	6.1	7.8
Oil and gas	23.8	25.1	28.4	27.4	25.8
Metal ores	0.3	0.3	0.5	0.5	0.4
Stone and other mining	3.0	3.6	3.8	4.4	4.9
Manufacturing	213.6	252.9	296.3	353.2	420.1
Food and beverages	56.1	64.6	74.7	86.5	99.5
Cigarettes and tobacco	7.7	9.2	10.2	11.2	12.3
Textiles and garments	20.5	24.7	29.4	34.4	40.7
Textile	12.3	14.2	16.6	19.1	22.2
Garments	8.2	10.5	12.8	15.3	18.5
Leather tanning and processing	11.1	13.5	16.0	18.9	22.2
Wood and paper products	9.4	11.1	13.7	16.4	19.7
Wood products	4.5	5.5	6.6	8.1	10.3
Paper	4.9	5.7	7.1	8.3	9.4
Printing, copying, publishing	2.9	3.5	3.8	4.6	5.9
Chemical and petroleum products	15.0	16.6	19.5	24.4	29.2
Coke and petroleum	0.3	0.3	0.4	0.6	0.8
Chemicals	14.7	16.3	19.0	23.8	28.4
Rubber and plastics	9.7	11.3	15.2	18.2	21.9
Nonmetallic products	25.9	29.9	33.5	37.1	41.7
Metal products	17.0	21.1	24.2	31.5	39.1
Metallic products	8.5	10.4	11.2	13.9	16.9
Products made of metal	8.5	10.6	13.0	17.6	22.2
Machinery and equipment	4.7	6.2	7.2	8.7	10.3
Computer and office equipment	1.0	1.5	1.8	3.2	4.6
Other machinery and equipment	3.7	4.6	5.4	5.5	5.7
Electric and electronic products	13.2	15.2	17.7	21.9	27.0
Radio, TV, telecommunication equipment	6.2	7.2	8.0	9.1	10.6
Medical instruments	0.5	0.6	0.7	0.8	0.8
Other electric and electronic products	6.5	7.5	9.1	12.0	15.6
Vehicles and transport equipment	14.3	18.0	20.9	25.6	32.1
Assembling and repairing of motor vehicles	5.8	8.3	8.7	9.8	12.0
Transport equipment	8.5	9.7	12.2	15.8	20.1
Furniture and other	6.1	8.0	10.4	13.7	18.5
Furniture	6.1	7.8	10.2	13.4	18.2
Other	0.2	0.2	0.3	0.3	0.3
Electricity, gas, and water	17.0	19.4	21.9	25.0	28.5
Electricity and gas	15.7	18.1	20.4	23.4	26.8
Water supply	1.3	1.4	1.5	1.6	1.7
Total	261.1	305.1	355.6	416.6	487.5
(Annual percentage change)					
Mining	4.2	8.1	14.4	2.5	1.0
Oil and gas	0.1	5.6	13.0	-3.5	-5.8
Manufacturing	16.4	18.4	17.2	19.2	18.9
Food and beverages	11.3	15.2	15.7	15.8	15.0
Textiles and garments	17.0	20.5	19.2	16.9	18.3
Metal products	22.5	23.8	14.8	30.2	24.1
Electric and electronic products	19.6	15.2	16.3	24.1	23.1
Vehicles and transport equipment	26.3	25.4	16.0	22.7	25.4
Electricity, gas, and water	15.4	14.1	12.5	14.4	13.9
Total	14.7	16.9	16.6	17.2	17.0

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, 2002–06 1/

	2002	2003	2004	2005	2006 Est.
(In billions of dong, at constant 1994 prices)					
Total industrial production	261,092	305,080	355,624	416,571	487,492
State sector	105,119	117,637	131,655	141,125	154,230
Central	69,640	80,917	92,896	104,371	116,750
Local	35,479	36,720	38,759	36,754	37,480
Nonstate sector	63,474	78,292	95,785	120,127	148,783
Cooperatives	1,668	1,770	1,893	1,969	2,032
Private and mixed	34,173	46,422	60,811	79,901	103,017
Household	27,633	30,101	33,081	38,257	43,734
Foreign invested sector	92,499	109,152	128,184	155,319	184,479
<i>Of which:</i> oil and gas	23,817	25,132	28,403	27,400	25,800
(excluding oil and gas)	68,682	84,020	99,781	127,919	158,679
(In percent of total industrial production)					
State sector	40.3	38.6	37.0	33.9	31.6
Central	26.7	26.5	26.1	25.1	23.9
Local	13.6	12.0	10.9	8.8	7.7
Nonstate sector	24.3	25.7	26.9	28.8	30.5
Cooperatives	0.6	0.6	0.5	0.5	0.4
Private and mixed	13.1	15.2	17.1	19.2	21.1
Household	10.6	9.9	9.3	9.2	9.0
Foreign invested sector	35.4	35.8	36.0	37.3	37.8
(excluding oil and gas)	26.3	27.5	28.1	30.7	32.6
(Annual percentage change)					
Total industrial production	14.8	16.8	16.6	17.1	17.0
State sector	12.5	11.9	11.9	7.2	9.3
Central	12.1	16.2	14.8	12.4	11.9
Local	13.3	3.5	5.6	-5.2	2.0
Nonstate sector	18.3	23.3	22.3	25.4	23.9
Cooperatives	5.9	6.1	7.0	4.0	3.2
Private and mixed	26.0	35.8	31.0	31.4	28.9
Household	10.7	8.9	9.9	15.6	14.3
Foreign invested sector	15.2	18.0	17.4	21.2	18.8
(excluding oil and gas)	21.6	22.3	18.8	28.2	24.0

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, 2002–06

	2002	2003	2004	2005	2006 Est.
(In thousands of persons, unless otherwise indicated)					
Total population	79,727	80,902	82,032	83,106	84,156
(annual percentage change)	1.3	1.5	1.4	1.3	1.3
Urban	20,022	20,869	21,737	22,337	22,824
(annual percentage change)	2.8	4.2	4.2	2.8	2.2
Rural	59,705	60,033	60,295	60,770	61,332
(annual percentage change)	0.8	0.5	0.4	0.8	0.9
Total employment	39,508	40,574	41,586	42,527	43,347
Unemployment rate 1/	6.0	5.8	5.6	5.3	4.5
(In percent of total population)					
Urban 2/	25.1	25.8	26.5	26.9	27.1
Rural 2/	74.9	74.2	73.5	73.1	72.9
Male	49.2	49.1	49.1	49.1	49.1
Female	50.8	50.9	50.9	50.9	50.9
Age under 15	30.3	29.3	28.0	27.1	26.3
Age 15-59	61.1	61.9	63.0	63.9	64.5
Age 60 and over	8.7	8.8	9.0	9.0	9.2
Total employment	49.6	50.2	50.7	51.2	51.5
(In thousands of persons)					
Total employment	39,508	40,574	41,586	42,527	43,347
Nonstate sector	35,757	36,538	37,478	38,488	39,339
State sector 3/	3,751	4,035	4,108	4,039	4,008
Central	1,569	1,628	1,678	1,613	1,572
Local	2,181	2,407	2,430	2,426	2,436
(In percent of total employment)					
Nonstate sector	90.5	90.1	90.1	90.5	90.8
State sector	9.5	9.9	9.9	9.5	9.2
Central	4.0	4.0	4.0	3.8	3.6
Local	5.5	5.9	5.8	5.7	5.6
(Annual percentage change)					
Total employment	2.5	2.7	2.5	2.3	1.9
Nonstate sector	2.3	2.2	2.6	2.7	2.2
State sector	4.1	7.6	1.8	-1.7	-0.8
Central	4.7	3.8	3.0	-3.9	-2.5
Local	3.6	10.3	1.0	-0.2	0.4

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 59 years old and females 15 to 54 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, 2002–06

	2002	2003	2004	2005	2006 Est.
1. State and nonstate employment					
(In thousands of persons)					
Total employment	39,508	40,574	41,586	42,527	43,347
Agriculture, fisheries, and forestry	24,456	24,443	24,431	24,342	24,123
Industry and construction	6,085	6,671	7,217	7,782	8,280
Industry 1/	4,558	4,982	5,294	5,601	5,841
Construction	1,526	1,688	1,923	2,181	2,439
Trade, transport, and communications	5,464	5,726	5,969	6,196	6,463
Trade	4,281	4,532	4,767	4,992	5,251
Transport and communications	1,183	1,194	1,202	1,204	1,212
Education, culture, health	1,497	1,584	1,657	1,726	1,806
Other 2/	2,006	2,149	2,313	2,480	2,675
(Annual percentage change)					
Total employment	2.5	2.7	2.5	2.3	1.9
Agriculture, fisheries, and forestry	-0.1	-0.1	-0.1	-0.4	-0.9
Industry and construction	9.6	9.6	8.2	7.8	6.4
Trade, transport, and communications	4.2	4.8	4.2	3.8	4.3
Education, culture, health	5.7	5.8	4.6	4.1	4.6
Other 2/	6.5	7.2	7.6	7.2	7.9
(In percent of total employment)					
Agriculture, fisheries, and forestry	61.9	60.2	58.7	57.2	55.7
Industry and construction	15.4	16.4	17.4	18.3	19.1
Trade, transport, and communications	13.8	14.1	14.4	14.6	14.9
Education, culture, health	3.8	3.9	4.0	4.1	4.2
Other 2/	5.1	5.3	5.6	5.8	6.2
(In thousands of dong at 1994 prices)					
Total output per worker	7,929	8,287	8,707	9,242	9,808
Agriculture, fisheries, and forestry	2,913	3,013	3,001	3,159	3,296
Industry and construction	19,249	19,399	19,760	20,285	21,043
Trade, transport, and communications	11,621	11,818	12,282	12,793	13,350
Other 2/	18,347	18,306	18,355	24,293	24,221
(Annual percentage change)					
Total output per worker	4.5	4.5	5.1	6.1	6.1
Agriculture, fisheries, and forestry	12.3	3.4	-0.4	5.3	4.3
Industry and construction	-0.1	0.8	1.9	2.7	3.7
Trade, transport, and communications	2.9	1.7	3.9	4.2	4.4
2. Nonstate employment 3/					
(In thousands of persons)					
Total nonstate employment	35,757	36,538	37,478	38,488	39,339
Agriculture, fisheries, and forestry	24,233	24,216	24,210	24,131	23,915
Industry and construction	4,698	5,198	5,755	6,438	6,976
Industry 1/	3,651	4,050	4,364	4,755	4,979
Construction	1,047	1,148	1,391	1,683	1,997
Trade, transport, and communications	5,070	5,374	5,621	5,874	6,153
Trade	4,087	4,372	4,616	4,869	5,143
Transport and communications	983	1,002	1,005	1,005	1,010
Education, culture, health	258	292	320	336	392
Other 2/	1,498	1,459	1,571	1,709	1,903
(Annual percentage change)					
Total nonstate employment	2.3	2.2	2.6	2.7	2.2
Agriculture, fisheries, and forestry	0.0	-0.1	0.0	-0.3	-0.9
Industry and construction	10.5	10.6	10.7	11.9	8.4
Trade, transport, and communications	4.5	6.0	4.6	4.5	4.7
Education, culture, health	1.6	13.0	9.6	5.1	16.5
Other 2/	10.3	-2.6	7.7	8.8	11.3
(In percent of total nonstate employment)					
Agriculture, fisheries, and forestry	67.8	66.3	64.6	62.7	60.8
Industry and construction	13.1	14.2	15.4	16.7	17.7
Trade, transport, and communications	14.2	14.7	15.0	15.3	15.6
Education, culture, health	0.7	0.8	0.9	0.9	1.0
Other 2/	4.2	4.0	4.2	4.4	4.8

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, 2002–06

	2002	2003	2004	2005	2006 Est.
(In thousands of persons)					
Total employment	3,751	4,035	4,108	4,039	4,008
Agriculture, forestry and fisheries	223	227	221	212	207
Industry and construction	1,387	1,473	1,461	1,345	1,304
Industry	908	933	930	846	862
Construction	479	540	532	498	442
Trade, transport, and communications	394	353	348	322	311
Trade	194	161	151	123	109
Transport and communications	200	192	197	199	202
Education, health, science, and arts	1,239	1,292	1,338	1,390	1,414
Education	971	1,018	1,050	1,090	1,115
Science	34	29	29	36	26
Culture, arts, and sport	37	39	40	40	44
Public health	197	206	218	224	229
Other	508	691	741	771	772
(In percent of total state sector employment)					
Agriculture and forestry	5.9	5.6	5.4	5.2	5.2
Industry and construction	37.0	36.5	35.6	33.3	32.5
Trade, transport, and communications	10.5	8.7	8.5	8.0	7.8
Education, health, science, and arts	33.0	32.0	32.6	34.4	35.3
Other	13.5	17.1	18.0	19.1	19.3
(Annual percentage change)					
Total employment	4.1	7.6	1.8	-1.7	-0.8
Agriculture and forestry	-0.8	1.8	-2.8	-4.1	-2.0
Industry and construction	6.6	6.2	-0.8	-8.0	-3.0
Industry	4.2	2.8	-0.4	-9.0	1.8
Construction	11.6	12.7	-1.6	-6.2	-11.4
Trade, transport, and communications	0.7	-10.5	-1.4	-7.3	-3.6
Trade	2.1	-17.1	-5.9	-18.5	-11.7
Transport	-0.5	-4.1	2.4	1.3	1.4
Education, health, science, and arts	3.7	4.3	3.5	3.9	1.8
Science	1.5	-14.5	1.0	22.9	-28.9
Education	3.7	4.9	3.2	3.8	2.3
Culture, arts, and sport	3.9	3.7	2.3	0.8	11.0
Public health	3.8	4.7	5.9	2.7	2.2
Other	3.1	36.1	7.3	4.0	0.2
(In thousands of dong per month)					
Average nominal wage 1/	1,069	1,247	1,421	1,651	...
Industry	1,703	1,925	1,867	2,198	...
Construction	1,104	1,261	1,361	1,960	...
Agriculture, forestry	740	988	1,250	1,031	...
Transportation	1,910	2,278	2,433	2,345	...
Trade	1,127	1,323	1,468	1,653	...
Education	783	1,016	1,115	1,293	...
Science	895	1,051	1,165	1,597	...
Culture, arts, and sports	815	994	1,082	1,321	...
Public health	797	950	1,024	1,228	...
State management	691	797	898	1,093	...
Financial intermediation	1,935	2,321	2,791	2,746	...
(Annual percentage change)					
Average nominal wage growth	12.0	16.6	14.0	16.2	...
Industry	10.0	13.0	-3.0	17.7	...
Construction	14.9	14.2	7.9	44.0	...
Agriculture	25.5	33.4	26.6	-17.5	...
Transportation	14.6	19.2	6.8	-3.6	...
Trade	17.2	17.3	11.0	12.6	...
Science	15.1	29.6	9.7	16.0	...
Education	8.0	17.3	10.8	37.1	...
Culture, arts, and sports	13.4	22.0	8.9	22.1	...
Public health	9.8	19.3	7.8	20.0	...
State management	5.0	15.3	12.7	21.7	...
Financial intermediation	7.2	20.0	20.2	-1.6	...
(Annual percentage change)					
Average real wage growth 2/	7.7	13.1	5.8	7.3	...
Industry	5.8	9.6	-10.0	8.7	...
Construction	10.4	10.7	0.2	33.0	...
Agriculture	20.7	29.3	17.5	-23.8	...
Transportation	10.2	15.6	-0.8	-11.0	...
Trade	12.7	13.7	3.0	4.0	...
Education	3.9	25.6	1.9	7.1	...
Science	10.6	13.7	2.9	26.6	...
Culture, arts, and sports	9.1	18.3	1.1	12.7	...
Public health	5.6	15.6	0.1	10.8	...
State management	0.9	11.8	4.6	12.4	...
Financial intermediation	3.1	16.3	11.6	-9.2	...
Consumer price inflation	4.0	3.2	7.7	8.3	7.5

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, 2004-07

	2004	2005	2006	2007
			Est	Budget 1/
(In trillions of dong)				
Total revenue and grants	191.3	217.1	264.3	281.9
Oil revenues 2/	56.9	73.4	94.5	88.7
Nonoil revenue	131.6	141.4	166.1	190.2
Tax revenue	97.6	113.4	134.6	161.0
Nontax revenue	34.0	28.0	31.5	29.2
Grants	2.9	2.3	3.6	3.0
Total expenditure	184.8	226.9	267.6	320.7
Current Expenditure 3/	121.2	155.0	181.5	221.3
Wages and salaries 4/	34.5	65.0	76.1	87.1
Interest payments	7.2	7.0	8.9	11.7
Other current expenditure	79.5	83.0	96.5	122.4
Capital Expenditure	63.6	72.0	86.1	99.5
Official budget balance (authorities' definition)	6.5	-9.9	-3.3	-38.8
Off-budget expenditure and net lending 5/	26.6	39.4	33.7	50.5
Overall fiscal balance (IMF definition)	-20.0	-49.3	-37.0	-89.3
Financing	20.0	49.3	37.0	89.3
Domestic (net)	6.7	27.4	17.5	62.4
Foreign (net)	13.3	21.8	19.5	26.9
(In percent of GDP)				
Total revenue and grants	26.7	25.9	27.1	24.9
Oil revenues 2/	7.9	8.7	9.7	7.8
Nonoil revenue	18.4	16.8	17.1	16.8
Tax revenue	13.6	13.5	13.8	14.3
Nontax revenue	4.8	3.3	3.2	2.6
Grants	0.4	0.3	0.4	0.3
Total expenditure	25.8	27.0	27.5	28.4
Current Expenditure 3/	16.9	18.5	18.6	19.6
Wages and salaries 4/	4.8	7.7	7.8	7.7
Interest payments	1.0	0.8	0.9	1.0
Other current expenditure	11.1	9.9	9.9	10.8
Capital Expenditure	8.9	8.6	8.8	8.8
Official budget balance (authorities' definition)	0.9	-1.2	-0.3	-3.4
Off-budget expenditure and net lending 5/	3.7	4.7	3.5	4.5
Overall fiscal balance (IMF definition)	-2.8	-5.9	-3.8	-7.9
Financing	2.8	5.9	3.8	7.9
Domestic (net)	0.9	3.3	1.8	5.5
Foreign (net)	1.9	2.6	2.0	2.4

Sources: Ministry of Finance: and Fund staff estimates and projections.

1/ Budget refers to the 2007 budget approved by the National Assembly, with projected oil revenues based on an oil price of US\$62 and the contingency included in expenditure.

2/ Staff estimates. Includes revenue from crude oil as well as import and domestic taxes related to petroleum products.

3/ Current expenditure includes subsidies to oil traders to cover less-than-complete pass-through of international prices to domestic prices.

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

5/ Includes investment financed through the issuance of infrastructure and education bonds; SOCB recapitalization bonds issued in 2004; domestic and ODA-financed on-lending; and sovereign issuance for on-lending purposes.

Table 14. Vietnam: Government Revenues, 2004–07

	2004	2005	2006	2007 Budget
(In trillions of dong)				
Total revenue and grants	191.3	217.1	264.2	281.9
Tax revenue	138.2	166.2	210.3	231.4
Corporate income tax	57.0	71.7	100.8	99.0
Individual income tax	3.5	4.2	5.2	6.1
Capital user charge	0.0	0.0	0.0	0.0
Land and housing tax	0.4	0.5	0.6	0.6
License tax	0.7	0.7	0.8	0.8
Tax on the transfer of properties	2.6	2.8	3.4	3.8
Tax on land use right	0.6	1.0	1.3	1.2
Value added tax (VAT)	38.8	45.7	54.8	78.9
Excises	12.8	15.7	17.1	17.1
Slaughter tax	0.0	0.0	0.0	0.0
Agricultural tax	0.1	0.1	0.1	0.1
Import and export taxes	21.6	23.6	26.3	23.8
Other taxes on trade	0.0	0.0	0.0	0.0
Other taxes	0.0	0.0	0.0	0.0
Nontax revenue	50.2	48.5	50.3	47.5
Fees and charges	22.0	21.0	23.1	23.1
Rental of land	1.0	1.0	1.6	1.1
Income from natural resources	17.4	21.9	20.2	19.9
Capital revenues	1.3	0.9	1.5	0.8
Other	8.5	3.8	3.9	2.6
Grants	2.9	2.3	3.6	3.0
(In percent of GDP)				
Total revenue and grants	26.7	25.9	27.1	24.9
Tax revenue	19.3	19.8	21.6	20.5
Corporate income tax	8.0	8.5	10.4	8.8
Individual income tax	0.5	0.5	0.5	0.5
Capital user charge	0.0	0.0	0.0	0.0
Land and housing tax	0.1	0.1	0.1	0.1
License tax	0.1	0.1	0.1	0.1
Tax on the transfer of properties	0.4	0.3	0.3	0.3
Tax on land use right	0.1	0.1	0.1	0.1
VAT	5.4	5.4	5.6	7.0
Excises	1.8	1.9	1.8	1.5
Slaughter tax	0.0	0.0	0.0	0.0
Agricultural tax	0.0	0.0	0.0	0.0
Import and export taxes	3.0	2.8	2.7	2.1
Other taxes on trade	0.0	0.0	0.0	0.0
Other taxes	0.0	0.0	0.0	0.0
Nontax revenue	7.0	5.8	5.2	4.2
Fees and charges	3.1	2.5	2.4	2.0
Rental of land	0.1	0.1	0.2	0.1
Income from natural resources	2.4	2.6	2.1	1.8
Capital revenues	0.2	0.1	0.2	0.1
Other	1.2	0.4	0.4	0.2
Grants	0.4	0.3	0.4	0.3

Sources: Ministry of Finance; and Fund staff estimates.

Table 15. Vietnam: Government Expenditures, 2004–07 1/

	2004	2005	2006	2007 Budget
(In trillions of dong)				
Total expenditure (cash basis, excl. off-budget investment)	184.8	226.9	267.6	320.7
Total current expenditure	121.2	155.0	181.5	221.3
General administrative services	15.9	16.8	19.0	24.8
Economic services	10.3	12.8	15.0	16.3
Social services	55.2	77.3	91.4	97.3
Education	20.4	29.1	33.8	38.1
Health	6.0	10.7	12.7	14.7
Social subsidies	17.3	23.6	28.7	26.8
Other	11.5	13.8	16.3	17.8
Other noninterest expenditure	32.7	41.1	47.2	71.1
Interest payments (paid)	7.2	7.0	8.9	11.7
Capital expenditure	63.6	72.0	86.1	99.5
Off-budget investment expenditure	26.4	39.4	33.7	39.4
Education bonds	0.0	2.8	0.0	0.0
Infrastructure bonds	5.0	10.6	10.3	12.5
Reform bonds (pre-2000 SOCB debt)	1.5	0.0	0.0	0.0
Municipal bonds	2.6	3.5	2.5	3.0
On-lending 2/	17.3	22.5	20.9	23.9
(In percent of GDP)				
Total expenditure (cash basis, excl. off-budget investment)	25.8	27.1	27.5	28.4
Total current expenditure	16.9	18.5	18.6	19.6
General administrative services	2.2	2.0	2.0	2.2
Economic services	1.4	1.5	1.5	1.4
Social services	7.7	9.2	9.4	8.6
Education	2.9	3.5	3.5	3.4
Health	0.8	1.3	1.3	1.3
Social subsidies	2.4	2.8	2.9	2.4
Other	1.6	1.7	1.7	1.6
Other noninterest expenditure	4.6	4.9	4.8	6.3
Interest payments (paid)	1.0	0.8	0.9	1.0
Capital expenditure	8.9	8.6	8.8	8.8
Off-budget investment expenditure	3.7	4.7	3.5	3.5
Education bonds	0.0	0.3	0.0	0.0
Infrastructure bonds	0.7	1.3	1.1	1.1
Reform bonds (pre-2000 SOCB debt)	0.2	0.0	0.0	0.0
Municipal bonds	0.4	0.4	0.3	0.3
Onlending 2/	2.4	2.7	2.1	2.1

Sources: Ministry of Finance; and Fund staff estimates.

1/ Total government expenditure comprises budgeted expenditure, including the contingency allocation, and approved off-budget investment expenditure.

2/ Includes domestically-financed on-lending through the Vietnam Development Bank (formerly Development Assistance Fund), as well as externally-financed operations through ODA and sovereign debt issuance.

Table 16. Vietnam: Treasury Bill and Bond Issues, 2005–06
(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
2005 January	600	6.0	19,765	163	8.4	5,633	173	15,797
February	1,000	6.0	19,025	401	8.4	5,736	335	16,132
March	870	6.0	17,295	409	8.4	5,806	1,340	17,472
April	350	6.1	15,545	760	8.4	5,695	940	18,412
May	1,230	6.1	15,075	148	8.4	5,705	2,167	20,193
June	1,521	6.2	14,396	298	8.4	5,668	1,764	21,557
July	1,800	6.2	14,724	248	8.4	5,677	598	21,855
August	1,600	6.3	13,922	211	8.4	5,665	1,936	23,491
September	4,250	6.3	16,272	251	8.4	5,578	2,129	25,120
October	6,300	6.3	21,172	339	8.4	5,453	890	26,010
November	1,900	6.3	21,822	560	8.4	5,710	1,378	27,388
December	700	6.3	22,121	277	8.4	5,696	1,375	28,763
2006 January	500.0	6.3	22,021	-	8.6	5,571	751	29,514
February	2,900.0	6.3	23,921	-	8.6	5,271	1,150	30,664
March	2,800.0	6.3	25,851	652	8.6	5,152	4,423	35,087
April	2,000.0	5.9	27,501	393	8.6	4,977	2,705	37,792
May	2,000.0	5.7	28,271	453	8.6	4,764	2,550	40,342
June	3,000.0	5.2	29,750	343	8.6	4,563	2,289	42,631
July	3,345.0	4.0	31,295	309	8.6	4,460	780	43,046
August	2,850.1	3.7	32,545	200	8.6	4,304	1,470	44,081
September	680.0	3.4	28,975	127	8.6	4,216	600	44,681
October	1,300.0	3.4	23,975	352	8.6	3,979	500	44,392
November	100.0	3.4	22,175	-	-	3,844	798	44,847
December	600.0	3.3	22,075	-	-	3,335	590	44,831

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

Table 17. Vietnam: Monetary Survey, 2003-07 1/

	2003	2004	2005	2006	2007	
					Mar	June
Net foreign assets	131.4	145.9	191.1	287.9	341.4	381.3
Foreign assets	150.5	172.5	220.5	327.0	387.0	430.8
Foreign liabilities	-19.1	-26.6	-29.4	-39.1	-45.6	-49.5
Net domestic assets	279.8	386.4	499.7	634.7	689.4	735.9
Domestic credit	316.9	434.6	585.6	730.3	764.7	833.5
Net claims on government	20.1	14.5	32.5	36.5	26.3	15.8
Credit to the economy	296.7	420.0	553.1	693.8	738.3	817.7
<i>of which in foreign currency</i>	65.2	104.5	134.3	146.4	162.7	181.9
Claims on state enterprises	105.4	142.9	181.3	218.5	231.8	...
Claims on other sectors	191.3	277.1	371.8	475.3	506.5	...
Other items, net	-37.0	-48.1	-86.0	-95.6	-75.2	-97.6
Total liquidity (M2)	411.2	532.3	690.7	922.7	1,030.8	1,117.2
<i>of which: total deposits</i>	320.6	423.2	559.5	763.9	856.9	947.0
Dong liquidity	314.1	402.7	531.5	723.2	828.6	891.5
Currency outside banks	90.6	109.1	131.2	158.8	173.9	170.3
Deposits	223.6	293.6	400.3	564.4	654.7	721.3
Foreign currency deposits	97.1	129.6	159.2	199.5	202.2	225.7
(in millions of U.S. dollars)	6,220	8,215	10,027	12,396	12,560	13,992
(in percent of total liquidity)	23.6	24.3	23.0	21.6	19.6	20.2
(Annual percentage change, unless otherwise indicated)						
Credit to the economy	28.4	41.6	31.7	25.4	31.6	36.8
<i>of which in foreign currency</i>	41.0	60.3	28.5	9.0	21.3	28.3
Claims on state enterprises	17.8	35.6	26.9	20.5	26.9	...
Claims on other sectors	35.1	44.8	34.2	27.8	33.8	...
Total liquidity (M2)	24.9	29.5	29.7	33.6	39.4	42.7
<i>of which: total deposits</i>	25.8	32.0	32.2	36.5	42.2	45.8
Dong liquidity	33.4	28.2	32.0	36.1	45.0	48.3
Currency outside banks	22.0	20.4	20.2	21.1	26.8	27.6
Deposits	38.6	31.3	36.3	41.0	50.8	54.2
Foreign currency deposits	3.7	33.5	22.8	25.3	20.2	24.1
(change during year, in millions of U.S. dollars)						
(In percent, unless otherwise indicated)						
Velocity of M2 2/	1.4	1.3	1.2	1.1	1.1	1.0
Money multiplier 3/	3.4	3.8	4.0	4.0	4.3	4.2
Currency/total deposits (in percent)	28.2	25.8	23.4	20.8	20.3	18.0
Foreign currency deposits/total deposits	30.3	30.6	28.5	26.1	23.6	23.8
Foreign currency loans/total loans	22.0	24.9	24.3	21.1	22.0	22.2
(In millions of U.S. dollars, unless indicated otherwise)						
Memorandum items:						
Gross official international reserves 4/	5,620	6,314	9,597	11,483	17,244	20,026
(in weeks of next year's imports of GNFS)	8.7	8.4	9.4	10.4	...	...
(change during year, in millions of U.S. dollars)	1,929	694	3,283	1,886	5,761	8,543
Net foreign assets of the banking system	8,419	9,248	12,036	17,894	21,204	23,638
(change during year, in millions of U.S. dollars)	778	829	2,788	5,857	3,310	5,744

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

1/ Data comprise the SBV, six state-owned commercial banks, and 79 non-state credit institutions.

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

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, 2003-07
(In trillions of dong, unless otherwise indicated)

	2003	2004	2005	2006	2007	
					Mar	Jun
Net foreign assets of SBV	91.0	105.7	140.4	211.9	290.7	332.7
Foreign assets	99.5	113.4	146.7	218.2	297.0	338.6
Foreign liabilities	-8.4	-7.7	-6.2	-6.3	-6.3	-6.0
Net domestic assets	30.6	35.5	34.1	18.8	-48.3	-64.3
Domestic credit (net)	24.2	25.7	18.9	1.1	-19.2	-14.6
Net claims on government	10.7	11.3	7.9	-6.9	-27.3	-25.0
Claims on banks	13.6	14.4	11.0	8.0	8.1	10.4
Other items net	6.4	9.8	15.2	17.8	-29.1	-49.7
Reserve money	121.6	141.2	174.6	230.8	242.4	268.4
Currency in circulation	94.9	114.1	137.4	167.4	185.3	182.4
Bankers' deposits	26.8	27.0	37.1	63.4	57.1	86.0
Memorandum items:						
Reserve money growth (annual percentage change)	27.4	16.1	23.7	32.2	32.1	50.1

Sources: State Bank of Vietnam; and staff estimates.

Table 19 Vietnam: Consolidated Balance Sheet of Deposit Money Banks (DMBs), 2003-07 1/
(In trillions of dong, unless otherwise indicated)

	2003	2004	2005	2006	2007	
					Mar	Jun
Net foreign assets of DMBs	40.4	40.2	50.6	76.0	50.7	48.6
Foreign assets	51.1	59.1	73.8	108.8	90.0	92.2
Foreign liabilities	-10.7	-18.9	-23.2	-32.8	-39.3	-43.6
Net domestic assets of DMBs	280.3	383.0	508.9	687.8	806.2	898.3
Domestic credit (net) from the DMBs	306.2	423.3	577.7	737.2	792.0	858.5
Net claims on government by DMBs	9.5	3.2	24.6	43.4	53.6	40.8
Credit to the economy by DMBs	296.7	420.0	553.1	693.8	738.3	817.7
Claims on enterprises	105.4	142.9	181.3	218.5	231.8	...
Claims on other sectors	191.3	277.1	371.8	475.3	506.5	...
Claims on nonbank financial institutions	0.0	0.0				
Other domestic assets (net)	-25.9	-40.3	-68.8	-49.4	14.2	39.8
Reserves	30.8	31.6	43.0	71.3	66.6	95.5
Credit from SBV	-14.5	-16.7	-20.9	-25.4	-10.0	-11.3
Capital and reserves	-41.7	-57.6	-65.0	-87.9	-102.8	-120.4
Other items (net)	-0.5	2.4	-25.9	-7.4	60.5	76.1
Total deposits	320.6	423.2	559.5	763.9	856.9	947.0
Dong deposits	223.6	293.6	400.3	564.4	654.7	721.3
Demand deposits	69.8	92.8	114.9	138.5	149.6	170.7
Time deposits	153.8	200.8	285.4	425.9	505.1	550.6
Foreign currency deposits	97.1	129.6	159.2	199.5	202.2	225.7
Demand deposits	92.5	123.2	152.6	191.2	194.2	214.4
Import/restricted deposits	4.6	6.4	6.6	8.2	8.0	11.3
	(Annual percentage change, unless otherwise indicated)					
Net foreign assets of DMBs	-33.7	-0.4	25.9	50.1	-0.2	-3.6
Net domestic assets of DMBs	44.4	36.7	32.8	35.2	46.2	50.0
Domestic credit (net) from the DMBs	33.8	38.2	36.5	27.6	32.8	35.1
Credit to the economy by DMBs	28.4	41.6	31.7	25.4	31.6	36.8
Claims on enterprises	17.8	35.6	26.9	...	...	...
Claims on other sectors	35.1	44.8	34.2	...	...	...
Banks' reserves	52.6	2.8	35.9	65.8	45.6	120.7
Credit from SBV	-24.7	15.1	25.6	21.5	-4.7	6.8
Capital and reserves	34.9	38.0	12.9	35.2	43.6	60.4
Total deposits	25.8	32.0	32.2	36.5	42.2	45.8
Dong deposits	38.6	31.3	36.3	41.0	50.8	54.2
Foreign currency deposits	3.7	33.5	22.8	25.3	20.2	24.1

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

1/ Data comprise six state-owned commercial banks, and 79 non-state credit institutions.

Table 20. Vietnam: Distribution of Credit, 2002–07 1/ 2/

	2002	2003	2004	2005	2006	2007 Mar.
	(In billions of Dong)					
Total credit to the economy 3/	231,078	296,737	420,335	553,106	693,800	738,300
To state enterprises	89,500	105,400	142,900	181,306	218,547	231,826
To other sectors	141,578	191,337	277,435	371,800	475,253	506,474
Credit extended by state-owned commercial banks 4/	175,489	214,800	315,335	381,406	440,500	456,800
To state enterprises	81,600	95,700	145,800	158,006	175,700	182,400
To other sectors	93,889	119,100	169,535	223,400	264,800	274,400
Credit extended by other banks 5/	55,589	81,937	105,000	171,700	253,300	281,500
To state enterprises	7,900	9,700	16,300	23,300	42,800	49,400
To other sectors	47,689	72,237	88,700	148,400	210,500	232,100
Total dong loans 3/	184,829	231,700	317,400	418,700	547,500	575,500
To state enterprises	66,500	74,900	96,700	124,800	154,700	162,300
To other sectors	118,329	156,800	220,700	293,900	392,800	413,200
Credit extended by state-owned commercial banks 4/	149,877	177,700	234,400	302,800	362,800	370,800
To state enterprises	61,500	68,700	87,100	109,900	125,500	128,800
To other sectors	88,377	109,000	147,300	192,900	237,300	242,000
Credit extended by other banks 5/	34,952	54,000	83,000	115,900	184,700	204,700
To state enterprises	5,000	6,200	9,600	14,900	29,200	33,500
To other sectors	29,952	47,800	73,400	101,000	155,500	171,200
Total foreign currency loans 3/	46,249	65,037	102,935	134,406	146,300	162,800
To state enterprises	23,000	30,500	46,200	56,506	63,847	69,526
To other sectors	23,249	34,537	56,735	77,900	82,453	93,274
Credit extended by state-owned commercial banks 4/	25,612	37,137	61,735	78,606	77,700	86,000
To state enterprises	20,100	27,000	39,500	48,106	50,200	53,600
To other sectors	5,512	10,137	22,235	30,500	27,500	32,400
Credit extended by other banks 5/	20,637	27,900	41,200	55,800	68,600	76,800
To state enterprises	2,900	3,500	6,700	8,400	13,600	15,900
To other sectors	17,737	24,400	34,500	47,400	55,000	60,900
	(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	38.7	35.5	34.0	32.8	31.5	31.4
To other sectors	61.3	64.5	66.0	67.2	68.5	68.6
Credit extended by state-owned commercial banks 4/	75.9	72.4	75.0	69.0	63.5	61.9
To state enterprises	35.3	32.3	34.7	28.6	25.3	24.7
To other sectors	40.6	40.1	40.3	40.4	38.2	37.2
Credit extended by other banks 5/	24.1	27.6	25.0	31.0	36.5	38.1
To state enterprises	3.4	3.3	3.9	4.2	6.2	6.7
To other sectors	20.6	24.3	21.1	26.8	30.3	31.4
Total dong loans	80.0	78.1	75.5	75.7	78.9	77.9
Credit extended by state-owned commercial banks 4/	64.9	59.9	55.8	54.7	52.3	50.2
Credit extended by other banks 5/	15.1	18.2	19.7	21.0	26.6	27.7
Total foreign currency loans	20.0	21.9	24.5	24.3	21.1	22.1
Credit extended by state-owned commercial banks 4/	11.1	12.5	14.7	14.2	11.2	11.6
Credit extended by other banks 5/	8.9	9.4	9.8	10.1	9.9	10.4
	(In billions of dong)					
Total credit to the economy by sector						
Agriculture, fisheries, and forestry	65,860	87,200	124,800	163,717	202,557	214,797
Industry and construction	92,854	115,700	165,200	219,027	277,339	296,591
Industry	58,694	74,500	104,500	139,934	177,056	189,992
Construction	34,160	41,200	60,700	79,093	100,283	106,599
Trade, transportation, and communications	51,762	68,000	97,500	129,425	161,099	171,282
Trade	39,745	51,000	74,400	97,345	122,865	130,499
Transport, storage, and communications	12,017	17,000	23,100	32,080	38,234	40,783
Other services	20,602	25,837	32,800	40,929	52,839	55,654
	(In percent of total credit to the economy)					
Agriculture, fisheries, and forestry	28.5	29.4	29.7	29.6	29.2	29.1
Industry and construction	40.2	39.0	39.3	39.6	40.0	40.2
Trade, transportation, and communications	22.4	22.9	23.2	23.4	23.2	23.2
Other services	8.9	8.7	7.8	7.4	7.6	7.5

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.

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, 2003-07

	2003	2004	2005	2006	2007 May
	(End-of-period rates, in percent per annum) 1/				
Deposit rates					
Demand deposits, enterprises	2.4	2.4	2.9	2.9	2.9
Savings deposits (three-month), households	6.1	6.7	7.8	7.9	7.9
Foreign currency demand deposits	1.2	1.2	1.3	1.3	1.5
Foreign currency deposits (six-month)	1.5	1.6	4.0	4.4	4.6
Lending rates					
Working capital (short term)	10.0	10.7	12.0	11.8	11.8
Fixed capital (medium term)	10.7	11.7	13.6	13.7	13.7
Foreign currency loans (short term)	3.1	3.6	5.5	5.5	5.7

Source: State Bank of Vietnam.

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

Table 22. Vietnam: Exchange Rate Developments, 2002–07

	2002	2003	2004	2005	2006	2007 Jan-June
	(period average; 2000=100)					
Effective exchange rates						
Nominal	97.7	88.5	82.6	81.1	79.7	77.4
Real	98.3	90.6	89.3	93.2	96.7	97.6
	(Annual percentage change; - depreciation)					
Nominal effective exchnage rate	-4.4	-9.4	-6.7	-1.8	-1.7	-4.1 1/
Real effective exchnage rate	-1.8	-7.9	-1.3	4.3	3.8	1.0 1/
	(In units indicated)					
Dong per U.S. dollar, end of period 2/	15,368	15,608	15,739	15,875	16,091	16,131
Dong per U.S. dollar, period average 2/	15,244	15,479	15,705	15,819	15,965	16,106
Dong per SDR, end of period	20,941	23,249	24,502	22,748	24,152	24,448
Dong per SDR, period average	19,785	21,695	23,281	23,429	23,604	24,259
	(Annual percentage change, - depreciation)					
Dong per U.S. dollar, end of period	-2.0	-1.6	-0.8	-0.9	-1.4	-0.2 3/
Dong per U.S. dollar, period average	-3.1	-1.5	-1.5	-0.7	-0.9	-1.2 1/
Dong per SDR, end of period	-10.5	-11.0	-5.4	7.2	-6.2	-1.2 3/
Dong per SDR, period average	-5.5	-9.7	-7.3	-0.6	-0.7	-4.7 1/

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

1/ Compared with Jan-Jun 2006.

2/ Interbank rate as reported by the SBV.

3/ Compared to end-2006.

Table 23. Vietnam: Balance of Payments, 2002-06

	2002	2003	2004	2005	2006
(In millions of U.S. dollars, unless otherwise indicated)					
Current account balance	-676	-1,935	-1,565	-497	-164
Excluding official transfers	-830	-2,074	-1,740	-727	-413
Trade balance	-1,054	-2,582	-2,287	-2,439	-2,776
Exports, f.o.b.	16,706	20,149	26,485	32,447	39,826
of which: oil	3,270	3,821	5,676	7,389	8,265
Imports, f.o.b.	17,760	22,730	28,772	34,886	42,602
of which: oil	2,017	2,433	3,574	4,968	5,970
Non-factor services (net)	-749	-778	-871	-219	-8
Receipts	2,948	3,272	3,867	4,176	5,100
Payments	3,697	4,050	4,739	4,395	5,108
Investment income (net)	-794	-814	-891	-1,219	-1,429
Receipts	167	125	188	364	668
Payments	961	939	1,079	1,583	2,098
Transfers (net)	1,921	2,239	2,485	3,380	4,049
Private	1,767	2,100	2,310	3,150	3,800
Official	154	139	175	230	249
Capital account balance	1,071	4,086	2,447	2,628	4,486
Gross foreign direct investment (FDI) inflows	2,023	1,894	1,878	1,954	2,400
Equity	1,882	1,294	1,283	1,204	1,605
Loan disbursements	141	600	595	750	795
FDI loan repayments	414	590	536	524	643
Medium and long-term loans (net)	458	974	1,396	1,360	1,139
Disbursements	1,102	1,540	1,920	1,914	1,687
ODA loans	1,073	1,258	1,394	1,432	1,380
Amortization 1/	644	566	523	555	548
Portfolio Investment 2/		--	--	865	1,313
Short-term capital (net) 3/	-996	1,808	-291	-1,027	277
Overall balance	395	2,151	883	2,131	4,322
Financing	-464	-2,151	-883	-2,131	-4,322
Change in SBV's NFA (-, increase)	-464	-2,151	-883	-2,131	-4,322
Memorandum items:					
Gross official reserves	3,692	5,619	6,314	8,557	11,483
In weeks of next year's imports	7.2	8.7	8.4	9.4	10.4
Current account deficit (in percent of GDP)	-1.9	-4.9	-3.4	-0.9	-0.3
Non-oil current account deficit (in percent of GDP)	-5.5	-8.4	-8.0	-5.5	-4.0
Export value (ann. perc. change)	11.2	20.6	31.4	22.5	22.7
Import value (ann. perc. change)	22.1	28.0	26.6	21.2	22.1
Non-oil export value (ann. perc. change)	12.9	21.5	27.4	20.4	26.0
Non-oil import value (ann. perc. change)	23.8	28.9	24.1	18.7	22.4
External debt (in percent of GDP)	35.0	33.7	33.5	32.2	30.2
Debt service (in percent of exports of GNFS)	8.6	7.8	6.0	5.6	5.3

Sources: Data provided by the Vietnamese authorities; and 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, 2002–06

	2002	2003	2004	2005	2006 Est.
(In millions of U.S. dollars, unless otherwise indicated)					
Total exports, f.o.b.	16,706	20,149	26,485	32,447	39,826
(annual percentage change)	11.2	20.6	31.4	22.5	22.7
(Excluding oil)	13,436	16,328	20,814	25,074	31,561
(annual percentage change)	12.9	21.5	27.5	20.5	25.9
Crude oil	3,270	3,821	5,671	7,373	8,265
Volume ('000 tons)	16,876	17,143	19,501	17,967	16,419
Unit value (US\$/ton)	194	223	291	410	503
Coal	154	188	354	670	914.634
Volume ('000 tons)	6,047	7,262	11,636	17,988	29,307
Unit value (US\$/ton)	26	26	30	37	31
Rubber	271	378	596	804	1,286
Volume ('000 tons)	455	432	513	554	708
Unit value (US\$/ton)	595	874	1,162	1,451	1,817
Rice	726	720	950	1,408	1,276
Volume ('000 tons)	3,236	3,810	4,063	5,255	4,643
Unit value (US\$/ton)	224	189	234	268	275
Coffee	322	505	642	740	1,217
Volume ('000 tons)	722	749	976	913	981
Unit value (US\$/ton)	445	674	658	811	1,241
Marine products (including frozen items)	2,022	2,200	2,408	2,733	3,358
Garments	2,732	3,609	4,430	4,772	5,834
Footwear	1,875	2,261	2,691	3,039	3,592
Handicrafts	340	397	508	593	630
Electronic goods and components	605	855	1,062	1,427	1,708
Other	4,389	5,216	7,172	8,887	11,745
(In percent of value of total exports)					
Crude oil	19.6	19.0	21.4	22.7	20.8
Coal	0.9	0.9	1.3	2.1	2.3
Rubber	1.6	1.9	2.3	2.5	3.2
Rice	4.3	3.6	3.6	4.3	3.2
Coffee	1.9	2.5	2.4	2.3	3.1
Marine products	12.1	10.9	9.1	8.4	8.4
Garments	16.4	17.9	16.7	14.7	14.6
Footwear	11.2	11.2	10.2	9.4	9.0
Handicrafts	2.0	2.0	1.9	1.8	1.6
Electronic goods and components	3.6	4.2	4.0	4.4	4.3
Other	26.3	25.9	27.1	27.4	29.5

Source: General Statistics Office.

Table 25. Vietnam: Merchandise Imports by Commodity, 2002–06

	2002	2003	2004	2005	<u>2006</u> Est.
(In millions of U.S. dollars, unless otherwise indicated)					
Total imports, c.i.f.	19,746	25,256	31,969	36,761	44,891
(annual percentage change)	21.8	27.9	26.6	15.0	22.1
Petroleum products (gasoline, diesel, etc.)	2,023	2,441	3,572	5,024	5,970
Volume ('000 tons)	9,970	9,936	11,048	11,478	11,212
Unit value (US\$/ton)	203	246	323	438	532
Fertilizer	478	631	759	651	687
Volume ('000 tons)	3,820	4,135	4,065	2915	3,119
Unit value (US\$/ton)	125	153	187	223	220
Insecticide	116	116.1	143	168	305
Volume ('000 tons)	...	...	...	...	...
Unit value (US\$/ton)	...	...	...	...	...
Steel and iron	1,334	1,695	2,553	2978	2,936
Volume ('000 tons)	4,946	4,623	5,152	5495	5,707
Unit value (US\$/ton)	270	367	496	542	514
Motorcycles	423	329	452	541	557
Volume ('000 unit)	1,480	...	...	...	...
Unit value (US\$/unit)	286	...	...	...	...
Motor cars and trucks	262	275	360	335	213
Volume ('000 units)	29.4	21.4	25.0	21.3	12
Unit value (US\$/unit)	8,911	12,863	14,420	15,735	17,045
Wheat flour	11	10	10	9	9
Volume ('000 tons)	62	52	48	39	38
Unit value (US\$/ton)	184	187	209	221	228
Textile yarn (fibers, spun)	273	317	384	400	544
Volume ('000 tons)	...	...	...	...	339
Unit value (US\$/ton)	...	...	...	...	...
Cotton	112	105	192	170	219
Leather and garment material	1,711	2,034	1,350	2282	1,951
Cigarette material (including tobacco)	...	...	...	...	...
Machinery and equipment (including aircraft)	3,793	5,359	5,249	5281	6,628
Other	9,210	11,944	16,945	18,922	25,415
(In percent of value of total imports)					
Petroleum products	10.2	9.7	11.2	13.7	13.3
Fertilizer	2.4	2.5	2.4	1.8	1.5
Insecticide	0.6	0.5	0.4	0.5	0.7
Steel and iron	6.8	6.7	8.0	8.1	6.5
Motorcycles	2.1	1.3	1.4	1.5	1.2
Motor cars and trucks	1.3	1.1	1.1	0.9	0.5
Wheat flour	...	...	...	...	...
Textile yarn	1.4	1.3	1.2	1.1	1.2
Cotton	0.6	0.4	0.6	0.5	0.5
Leather and garment material	8.7	8.1	4.2	6.2	4.3
Cigarette material	...	...	...	...	...
Machinery and equipment	19.2	21.2	16.4	14.4	14.8
Other	46.6	47.3	53.0	51.5	56.6

Source: General Statistics Office.

Table 26. Vietnam: Direction of Trade, 2002–06
(In percent of total exports or imports)

	2002	2003	2004	2005	2006 Prel.
Exports					
Industrial countries or regions	68.2	71.0	68.6	66.4	67.9
Japan	14.6	14.4	13.4	13.4	13.1
Hong Kong SAR	2.0	1.8	1.4	1.1	1.1
Korea	2.8	2.4	2.3	2.0	2.1
Singapore	5.8	5.1	5.6	5.9	4.1
France	2.6	2.5	2.1	2.0	2.0
Germany	4.4	4.2	4.0	3.3	3.6
Italy	1.6	1.6	1.4	1.4	1.6
Netherlands	2.4	2.4	2.2	2.0	2.2
Switzerland	0.4	0.4	0.5	0.3	0.4
United Kingdom	3.4	3.7	3.8	2.4	3.0
Other Europe (industrialized) 1/	4.6	4.7	4.7	4.5	4.6
United States	14.7	19.5	19.0	18.3	19.7
Canada	0.8	0.9	1.0	1.1	1.1
Australia	8.0	7.1	7.1	8.4	9.2
New Zealand	0.1	0.1	0.2	0.1	0.1
Developing countries	31.8	29.0	31.4	23.5	32.1
China (mainland)	9.1	9.3	10.9	10.0	7.6
Indonesia	2.0	2.3	1.7	1.4	2.4
Malaysia	2.1	2.3	2.4	3.2	3.0
Philippines	1.9	1.7	1.9	2.6	2.0
Russia	1.1	0.8	0.8	0.8	1.0
Taiwan POC	4.9	3.7	3.4	2.9	2.4
Thailand	1.4	1.7	2.0	2.7	2.3
Other	9.4	7.3	8.3	10.1	11.3
Imports					
Industrial countries or regions	55.6	54.8	52.3	50.2	51.4
Japan	12.7	11.8	11.1	11.1	10.5
Hong Kong SAR	4.1	3.9	3.4	3.4	3.2
Korea	11.5	10.4	10.5	9.8	8.6
Singapore	12.8	11.4	11.3	12.2	14.0
France	1.5	1.6	1.9	1.2	0.9
Germany	2.8	2.4	2.2	1.8	2.0
Italy	1.4	1.5	1.0	0.8	0.7
Netherlands	0.6	1.3	0.6	0.8	0.8
Switzerland	0.7	1.2	2.1	2.4	3.0
United Kingdom	0.8	0.9	0.7	0.5	0.4
Other Europe (industrialized) 1/	2.2	2.2	1.8	1.7	1.7
United States	2.3	4.5	3.5	2.3	2.2
Canada	0.3	0.3	0.3	0.5	0.4
Australia	1.4	1.1	1.4	1.4	2.4
New Zealand	0.3	0.4	0.3	0.3	0.4
Developing countries	44.4	45.2	47.7	49.8	48.6
China (mainland)	10.9	12.4	14.4	16.0	16.5
Indonesia	1.8	2.2	2.1	1.9	2.3
Malaysia	3.5	3.7	3.8	3.4	3.3
Philippines	0.5	0.6	0.6	0.6	0.8
Russia	2.5	1.9	2.1	2.1	1.0
Taiwan POC	12.8	11.5	11.6	11.7	10.7
Thailand	4.8	5.1	5.8	6.5	6.8
Other	7.5	7.8	7.4	7.6	7.3
Memorandum items:					
European Union					
Exports	19.8	19.9	18.8	15.0	17.8
Imports	9.5	10.2	8.4	7.0	7.0
ASEAN					
Exports	14.6	14.7	15.3	15.6	16.0
Imports	24.2	23.6	24.3	25.4	27.9

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, 2002-06 1/

	2002	2003	2004	2005	2006
(In millions of U.S. dollars)					
Industry	2,043	2,235	2,741	4,510	7,842
Heavy industries	868	854	1,584	2,895	6,034
Export processing zones	71	18	41	40	56
Light industries	774	1,190	943	1,285	1,562
Food	330	173	173	290	190
Oil and gas	45	16	12	20	107
Construction	192	101	481	174	327
Transportation and communications	78	19	78	709	615
Real estate	236	315	467	601	526
Hotels and tourism	218	185	257	124	865
Office property and apartments (office, new cities)	19	130	210	477	600
Agriculture, forestry, and fisheries (agr, Fisheries)	264	298	537	393	408
Services (service, Culture, finance)	134	189	219	427	715
Total	2,993	3,172	4,534	6,835	12,004
(In percent of total)					
Industry	68.3	70.5	60.5	66.0	65.3
Heavy industries	29.0	26.9	34.9	42.4	50.3
Export processing zones	2.4	0.6	0.9	0.6	0.5
Light industries	25.9	37.5	20.8	18.8	13.0
Food	11.0	5.4	3.8	4.2	1.6
Oil and gas	1.5	0.5	0.3	0.3	0.9
Construction	6.4	3.2	10.6	2.5	2.7
Transportation and communications	2.6	0.6	1.7	10.4	5.1
Real estate	7.9	9.9	10.3	8.8	4.4
Hotels and tourism	7.3	5.8	5.7	1.8	7.2
Office property and apartments	0.6	4.1	4.6	7.0	5.0
Agriculture, forestry, and fisheries	8.8	9.4	11.8	5.8	3.4
Services	4.5	6.0	4.8	6.2	6.0
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, 2003–06 1/

	2003	2004	2005 Prel.	2006 Prel.
	(In billions of dong)			
Public and publicly guaranteed debt	251,727	305,383	368,027	421,763
Domestic debt	84,134	110,152	145,424	180,227
T-bills and bonds	42,795	50,649	63,019	74,762
maturity less than 1 year	12,118	14,220	17,886	...
maturity greater than 1 year	30,677	36,429	45,133	...
Disbursements	22,895	27,452	33,250	36,000
maturity less than 1 year	12,118	14,222	17,886	17,514
maturity greater than 1 year	10,777	13,230	15,364	18,486
Amortization	14,828	19,596	20,050	26,910
maturity less than 1 year	6,089	12,118	14,220	17,886
maturity greater than 1 year	8,739	7,478	5,830	9,024
Interest	2,189	4,056	5,440	6,050
maturity less than 1 year	475	957	1,150	1,034
maturity greater than 1 year	1,714	3,099	4,290	5,016
Vietnam Development Bank (VDB) 1/	23,890	32,800	38,801	49,013
Education bonds	2,579	2,579	5,395	5,395
Reform bonds	8,050	9,540	9,540	9,540
Infrastructure bonds	5,020	10,220	20,805	31,153
Municipal bonds	1,800	4,364	7,864	10,364
Domestic guarantees	...	...	600	600
EVN	...	...	200	200
Petrovietnam	...	...	200	200
Vinashin	...	...	200	200
External Debt in billions of dong	167,593	195,232	222,604	241,536
Sovereign debt	156,202	175,421	203,854	220,511
External guarantees	9,644	17,475	15,941	17,154
MOF	9,514	17,345	15,811	17,024
SBV	130	130	130	130
Short term publicly guaranteed	1,747	2,336	2,808	3,871

Sources: Ministry of Finance; and Fund staff estimates.

1/ Includes bonds issued by the Vietnam Development Bank (formerly Development Assistance Fund) as well as liabilities to the Postal Savings Service Company and Social Security Fund; capital mobilized by VDB branches (deposits); and Project Bonds.

Table 29. Vietnam: External Debt and Debt Service, 2003–06 1/
(In million of U.S. dollars)

	2003	2004	2005	2006 Prel.
A. External Debt				
Total External Debt	13,535	15,266	16,833	18,330
Public and publicly guaranteed 2/	11,001	12,273	13,719	14,831
Private	2,534	2,993	3,114	3,499
Medium and Long Term	13,346	15,018	16,537	18,150
Public and publicly guaranteed 2/	10,888	12,124	13,541	14,831
Public	10,091	11,159	12,632	13,803
Multilateral	4,151	4,618	5,204	5,843
Bilateral	5,459	6,044	6,210	6,771
Commercial	509	498	1,218	1,189
Publicly guaranteed 3/	797	965	909	1,028
Private	2,458	2,894	2,996	3,319
Short-term	188	248	296	180
Public and publicly guaranteed	113	149	178	-
Public	...	...	...	-
Publicly guaranteed	113	149	178	-
Private	75	99	118	180
B. External Debt Service				
Total External Debt Service	1,764	1,858	1,952	1,814
Amortization 4/	1,477	1,441	1,513	1,270
Interest	287	417	439	544
Total Public and Guaranteed Debt Service 2/	699	771	722	824
Amortization	489	447	431	466
Interest	210	324	291	358
Total Public Debt Service	629	522	555	654
Amortization 4/	435	227	310	360
Interest	194	295	245	294
Amortization	1,477	1,441	1,513	1,270
Medium and Long Term	1,115	899	1,027	1,297
Public and publicly guaranteed 2/	518	353	477	493
Public	435	227	310	330
Publicly guaranteed	83	126	167	163
Private	597	546	550	804
Interest	287	417	439	543
Medium and Long Term	287	421	439	522
Public and publicly guaranteed 2/	210	328	291	336
Public	194	295	245	293
Publicly guaranteed	16	33	46	43
Private	77	93	148	186

Sources: Ministry of Finance; and Fund staff estimates.

1/Data for 2005 and 2006 are not fully consistent with the data in the staff report due to small differences arising from recent revisions in the estimation of private and bilateral debt.

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, 2002-07 1/

Rates in 2002		Rates in 2003		Rates in 2004		Rates in 2005		Rates in 2006 3/		Rates in 2007				
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	2,076	31.8	0	3,087	28.9	0	3,087	28.9	0	3,268	29.6	0	3,270	29.1
0.5	0	0.0	0.5	0	0.0	0.5	0	0.0	0.5	6	0.1	0.5	6	0.1
1	159	2.4	1	196	1.8	1	196	1.8	1	177	1.6	1	177	1.6
3	360	5.5	3	614	5.7	3	614	5.7	3	676	6.1	3	688	6.1
5	701	10.8	5	1,110	10.4	5	1,110	10.4	5	1,215	11.0	5	1,336	11.9
7	4	0.1	7	1	0.0	7	1	0.0	7	23	0.2	7	23	0.2
10	576	8.8	10	1,047	9.8	10	1,047	9.8	10	1,164	10.6	10	1,187	10.6
12	3	0.0	12	0	0.0	12	0	0.0	12	10	0.1	12	531	4.7
15	79	1.2	15	177	1.7	15	177	1.7	15	280	2.5	15	329	2.9
18	2	0.0	18	0	0.0	18	0	0.0	18	0	0.0	18	8	0.1
20	512	7.9	20	855	8.0	20	855	8.0	20	859	7.8	20	1,115	9.9
25	3	0.0	25	121	1.1	25	121	1.1	25	136	1.2	25	219	2.0
30	679	10.4	30	1,164	10.9	30	1,164	10.9	30	1,053	9.5	30	1,062	9.5
35	1	0.0	35	0	0.0	35	0	0.0	35	7	0.1	35	180	1.6
40	683	10.5	40	985	9.2	40	985	9.2	40	1,039	9.4	40	466	4.2
45	2	0.0	45	0	0.0	45	0	0.0	45	7	0.1	45	38	0.3
50	602	9.2	50	1,001	9.4	50	1,001	9.4	50	771	7.0	50	92	0.8
60	5	0.1	60	25	0.2	60	25	0.2	60	26	0.2	60	22	0.2
70	0	0.0	70	0	0.0	70	0	0.0	70	0	0.0	70	165	1.5
80	2	0.0	80	3	0.0	80	3	0.0	80	16	0.1	80	15	0.1
100	62	1.0	100	291	2.7	100	291	2.7	100	240	2.2	90	173	1.5
120	8	0.1	120	0	0.0	120	0	0.0	120	6	0.1	100	62	0.6
150	0	0.0	150	12	0.1	150	12	0.1	150	50	0.5	120	6	0.1
Total	6,519	100.0	Total	10,689	100.0	Total	10,689	100.0	Total	11,029	100.0	Total	11,225	100

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.

4/ Effective as of August 2007.

Table 31. Vietnam: Common Effective Preferential Tariff (CEPT) Rates, 2002-07 1/

	Rates in 2002		Rates in 2003		Rates in 2004		Rates in 2005		Rates in 2006		Rates in 2007				
	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	2,002	36.0	0	3,257	32.1	0	3,258	32.1	0	5,478	53.0	0	54,72	54.19	
1	177	3.2	1	239	2.4	1	241	2.4	1	4	0.0	1	4	0.04	
3	355	6.4	3	607	6.0	3	603	5.9	3	150	1.5	3	90	0.89	
5	1,092	19.6	5	3,372	33.2	5	3,396	33.4	5	4,651	45.0	5	44,74	44.31	
7	3	0.1	10	89	0.9	10	130	1.3	10	2	0.0	10	11	0.11	
10	610	11.0	15	125	1.2	15	2,131	21.0	15	-	0.0	15	0	-	
15	171	3.1	20	2,454	24.2	20	403	4.0	20	24	0.2	20	13	0.13	
20	1,158	20.8	20	2,454	24.2	20	403	4.0	50	19	0.2	40	40	0.28	
	5,568	100.0		10,143	100.0		10,162	100.2		10,277	100		10,342	100	
														10,097	100

Source: Ministry of Finance.

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

Vietnam: Summary of the Tax System, August 2007

Nature of the Tax	Tax Deductions and Exemptions	Rates
1. Personal Income Tax		
a) Regular income		
<ul style="list-style-type: none"> • 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). • Bonuses (both in cash or in kind). • Income from the participation in projects, business associations, enterprises' boards of management or the like. • Income in the form of royalties for using patents, trademarks, literary and artistic works. • 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. • 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. • Other income earned by individuals from any employers. 	<ul style="list-style-type: none"> • 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. • 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. • Per diem for business trips (capped by different rates of cash income for domestic trips and overseas trips). • 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. • Termination and severance allowances in accordance with labor regulations. • Relocation costs (one-off) of workers. • Prizes for technical innovations and inventions, international awards, and national awards organized or recognized by the State of Vietnam. • Income of family businesses and individuals who are subject to Corporate Income Tax. 	<ul style="list-style-type: none"> • For Vietnamese citizens: <u>Monthly income (VND mil)</u> 0-5 0% 5-15 10% 15-25 20% 25-40 30% Above 40 40% • For resident foreigners and for Vietnamese citizens on oversea missions, or working at the professional level in software services sector: <u>Monthly income (VND mil)</u> 0-8 0% 8-20 10% 20-50 20% 50-80 30% Above 80 40% • 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.

Vietnam: Summary of the Tax System (continued), August 2007

Nature of the Tax	Tax Deductions and Exemptions	Rates
	<ul style="list-style-type: none"> • 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. <p>b) Allowable deductions:</p> <ul style="list-style-type: none"> • Employees' statutory contributions for social insurance or health insurance from salaries and wages; and • 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. 	
b) Irregular Income	<ul style="list-style-type: none"> • Irregular income that does not exceed VND15 million is exempt from Personal Income Tax. 	<ul style="list-style-type: none"> • Income earned from technology transfer that exceeds VND 15mil/time shall be subject to a tax rate of 5% on the total income;
<ul style="list-style-type: none"> • Lottery winnings in whatever form, including promotional prizes. 		<ul style="list-style-type: none"> • 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 • a withholding tax of 10% is applied on individuals who receives income of VND500,000 or more/time from commission, brokerage; training; etc.
c) Residency rules	<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>	<p>The Foreign Contractor Tax rates for services activities may be up to 10%.</p>
<ul style="list-style-type: none"> • 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 		

Vietnam: Summary of the Tax System (continued), August 2007

Nature of the Tax	Tax Deductions and Exemptions	Rates
<p>where income is paid.</p> <ul style="list-style-type: none"> Tax-resident: A foreigner is considered tax resident if he/or she is present in Vietnam for 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>2. Foreign Contractor Tax</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>Under Circular 05/2005/TT-BTC, foreign contractors are split into two categories:</p> <p>a) Foreign contractors who adopt the Vietnamese Accounting System ("VAS") and VAT by the deduction method:</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>VAS foreign contractors may adopt a hybrid method where they still adopt the VAS and pay</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> <ul style="list-style-type: none"> 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: <ul style="list-style-type: none"> 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 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. FTC does not apply to foreign individuals who are subject to PIT in Vietnam; FCT does not apply to foreign organizations or 	<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"> Trading: 2% (1% VAT and 1% CIT) Services: 10% (5% VAT and 5% CIT) Construction, installation (including materials and/or machinery and equipment provided): 5% (3% VAT and 2% CIT) Construction, installation (not including materials and/or machinery and equipment provided): 7% (5% VAT and 2% CIT) Royalties/Technology transfer/Interest/fees for lease of machinery and equipment: 10% (VAT exempt and 10% CIT) Other business or production activities (where contract value is not separated by the activities): 4.5% (2.5% VAT and 2% CIT)

Vietnam: Summary of the Tax System (continued), August 2007

Nature of the Tax	Tax Deductions and Exemptions	Rates																		
<p>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 rate".</p> <p>b) Foreign contractors who do not adopt the VAS and VAT by the deduction method:</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>3. Corporate Income Tax</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"> • Depreciation of fixed assets: straight line method. Accelerated method is also permitted under certain conditions. • 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. • Advertising, promotion and other expenses 	<p>individuals that have income derived from investments in securities in Vietnam; and</p> <ul style="list-style-type: none"> • FCT does not apply to payments of interest on loan agreements signed with foreign lenders before 1 January 1999, subject to certain conditions. <p>Tax deductions and exemptions are granted to:</p> <p>a) Business establishments newly set up as "investment projects" and relocated business establishments shall enjoy the tax exemption and reduction.</p> <ul style="list-style-type: none"> • Business establishments, including cooperatives, newly set up as investment projects are eligible to tax rates of 20% (first 10 years), 15% (first 12 years), or 10% (first 15 years) depending on their classifications in the prioritized sectors and their localities as regulated by the Investment Law. • In addition, tax exemptions all these establishments are granted for up to four years after taxable income is generated, and a 50% reduction of the payable tax amount for up to nine 	<p>Standard rate: 28%</p> <ul style="list-style-type: none"> • Precious natural resources and oil sector: 28%-50% • Transfer of land use right; transfer of land rent right: standard rate + progressive surcharge; specified surcharge as follows: <table style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: center;"><u>Grade</u></th> <th style="text-align: center;"><u>Ratio of remaining income to expenses</u></th> <th style="text-align: center;"><u>Rate</u></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</p>	<u>Grade</u>	<u>Ratio of remaining income to expenses</u>	<u>Rate</u>	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%
<u>Grade</u>	<u>Ratio of remaining income to expenses</u>	<u>Rate</u>																		
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Vietnam: Summary of the Tax System (continued), August 2007

Nature of the Tax	Tax Deductions and Exemptions	Rates
are capped at 10% of reasonable expenses.	subsequent years.	rent right transfer is the actual price paid for the transfer.
	<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>	<p>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> <ul style="list-style-type: none"> • Original price of land transferred • Compensation for loss on land not yet computed into land use payment • Compensation for loss of plantation on land • Moving allowance to new locations • Cost of moving tombs • Other allowances for land clearance • Relevant fees and charges provided by laws. <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"> • Products being species of plants and animals. • Agricultural, animal, husbandry, and marine products which have not been processed or are semi-processed. • Machinery, equipment, materials 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. Leased airplanes, drilling rigs and vessels. 	<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 Clean water used for production and living consumption; fertilizer and ores to produce fertilizer. Pesticides; medical equipment,</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"> • Deduction method, whereby VAT payable shall be the difference between output VAT and input VAT. 	
	<p>4. Value Added Tax</p>	

Vietnam: Summary of the Tax System (continued), August 2007

Nature of the Tax	Tax Deductions and Exemptions	Rates
<ul style="list-style-type: none"> Direct method, whereby VAT payable is calculated on value added of VA Table good or service. 	<ul style="list-style-type: none"> Transfers of land use right. 	<p>certain pharmaceutical chemical products, medicines, materials used to produce preventive and curative medicines; certain printing products except printing of money; books of all types except VAT exempt books ; magnetic tapes, disks; not-yet processed agricultural 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>
<p>Input VAT deduction:</p> <ul style="list-style-type: none"> 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. 	<ul style="list-style-type: none"> Credit services and investment fund services. Life insurance; student insurance and personal insurance services. Text books for students; scientific and technical books. Technology transfer, software (excluding exported software) 	<p>books of all types except VAT exempt books ; magnetic tapes, disks; not-yet processed agricultural 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>
<p>Compliance:</p> <ul style="list-style-type: none"> Monthly VAT declarations and monthly payments of VAT must be submitted/paid to the tax department on or before the 25th day of the subsequent month. 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. 	<ul style="list-style-type: none"> International transportation, and reinsurance services being re-insured outside Vietnam. Postal and telecommunication services and popularization of internet under the government's program. Some exported raw minerals, including crude oil, stone slabs, sand and rare earth; precious stones; manganese ores, tin ores, iron ores, chromic ores, emanate ores and apatite ores Products being artificial organs used for replacement of organs of patients; crutches, wheelchairs and other specialized appliances for the disabled 	<p>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.</p>
<p>Export:</p> <ul style="list-style-type: none"> 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. 		<ul style="list-style-type: none"> 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. Products from metallurgy, rolling and drawing of ferrous, non-ferrous and precious metals, except for imported gold. Automatic data processing machines and their parts and components. Maintenance, repair and restoration of historical or cultural relics, museums; repair of machines, equipment and means of transportation; transportation, loading and

Vietnam: Summary of the Tax System (continued), August 2007

Nature of the Tax	Tax Deductions and Exemptions	Rates
		unloading; dredging of channels, waterways, river ports and seaports, recovery of sunken property and salvage.
	<ul style="list-style-type: none"> • Distribution and screening of video films, except documentary video films. 	
	c)	10% applied for:
	<ul style="list-style-type: none"> • Petroleum, gas; ore and other minerals; Commercial electricity; electronic products, mechanical consumer products; appliances; Chemical products (excluding basic chemicals) and cosmetics; electrical conductors, telephone lines and other types of conductors (except for wire being a new product of the rolling or drawing phase); welding rods; fibre, cloth, garments and embroidery products; disposable nappies and sanitary napkins; paper and paper products (excluding newsprint); leather and imitation leather products; milk, cakes, candy, beverages and other processed foodstuffs (except for types of foodstuffs subject to the five per cent VAT rate); porcelain and terracotta; glass, rubber, plastic, wood and wooden products; cement, bricks, tiles and other building materials (except for products in the five per cent VAT rate group); 	
	<ul style="list-style-type: none"> • Construction and installation; sale or transfer of houses and infrastructure facilities of establishments to which the State allocates or leases land or which receive the land use right from other entities to invest in houses and infrastructures for sale or transfer; leasing technical infrastructure facilities by establishments to which the State allocates or leases land or which receive the land use 	

Vietnam: Summary of the Tax System (continued), August 2007

Nature of the Tax	Tax Deductions and Exemptions	Rates																				
		right from other entities to invest in infrastructure in industrial, high-tech or other economic zones for lease.																				
	<ul style="list-style-type: none"> • Postal, telecommunication and internet services, except postal and telecommunication services and popularization of internet under the Government's program. • Leasing houses, offices, warehouses, yards, factory buildings, machinery, equipment and means of transportation. • Legal consultancy services and other consultancy services; auditing and accountancy services; survey and design services; insurance, including insurance broking (except for the types of insurance not subject to VAT); photography and video/tape services; hotels, tourism, restaurants services; goods and services subject to excise tax; gold, silver and gemstone, except for imported gold; shipping agencies; broker services; repair and maintenance services (except for services subject to 5%).. • Other goods and services. 																					
<p>5. Special Consumption Taxes (excise tax)</p> <p>Tax base is the tax-exclusive sale price, which is calculated as follows:</p> <p>SCT payable= SCT calculation price x SCT rates</p> <p>SCT calculation price = sale price / (1 + tax rate).</p> <p>Sale price is VAT exclusive price</p> <p>Taxable price for processing goods is determined based on the selling price (exclusive of SCT and VAT);</p> <p>For bottled liquors, bottled beer and canned beer</p>																						
<p>Rates of SCT</p> <table style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: left;"><u>Goods and Services</u></th> <th style="text-align: right;"><u>SCT rates</u></th> </tr> </thead> <tbody> <tr> <td>Cigars</td> <td style="text-align: right;">65%</td> </tr> <tr> <td>Cigarettes</td> <td style="text-align: right;">55%</td> </tr> <tr> <td>Spirits from 40% and above</td> <td style="text-align: right;">65%</td> </tr> <tr> <td>Spirits from 20% to below 40%</td> <td style="text-align: right;">30%</td> </tr> <tr> <td>Spirits below 20%</td> <td style="text-align: right;">20%</td> </tr> <tr> <td>Canned and bottled beer</td> <td style="text-align: right;">75%</td> </tr> <tr> <td>Draught beer</td> <td style="text-align: right;">30%</td> </tr> <tr> <td>Automobiles of 5 seats or less</td> <td style="text-align: right;">50%</td> </tr> <tr> <td>Automobiles of 6 seats to 15 seats</td> <td style="text-align: right;">30%</td> </tr> </tbody> </table>			<u>Goods and Services</u>	<u>SCT rates</u>	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%
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Nature of the Tax	Tax Deductions and Exemptions	Rates
SCT calculation price = (Sales price – Value of empty bottles or can)/ (1+ SCT rates)		15%
Goods and services that are subject to SCT		15%
a) Cigarettes, cigars		10%
b) Beer		
c) Alcoholic beverages other than beer		
d) Cars (including cars of less than 24 seats sold to export processing enterprises);		40%
e) Gasoline		70%
f) Air conditioning equipment (90,000 BTU or less)		30%
g) Playing cards		
h) Votive paper and products		
i) Massage, karaoke, and dance-hall business		25%
j) Casino businesses and jackpot machines		25%
k) Operating betting entertainment		10%
l) Golf course membership and playing fees		
m) Lotteries		15%

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 25th day of the following month.

6. Import and Export Duty

a) Import Duty

- Import taxable price is the actual price payable at the first import border gate and determined by one of 6 methods pursuant to the contract, consistent with international undertakings.

Duty exempt imports and exports include:

- Temporary imports for re-export or temporary exports for re-import.
- Goods which are moveable assets.
- 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.
- 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.

Import duty rates which may be normal, preferential or especially preferential rates. Preferential rates are: 0%, 0.5% 1%, 3%, 5%, 7%, 10%, 12%, 15%, 18%, 20%, 25%, 30%, 35%, 40%, 45%, 50%, 60%, 70%, 80%, 90%, 100%, 120% and maximum of 150%. Details are as follows:

- Ordinary rates apply to non-MFN (Most Favored Nation) imports and are equal to 1.5 times preferential rates.
- Preferential rates apply to MFN (and most) imports.

Vietnam: Summary of the Tax System (continued), August 2007

Nature of the Tax	Tax Deductions and Exemptions	Rates
	<ul style="list-style-type: none"> • Goods which are imported or exported within the quantity of duty-free baggage of individuals upon exit from or entry into Vietnam. • 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) as stipulated in Decree 149/2005/ND-CP, comprising <ul style="list-style-type: none"> a) Equipment and machinery; b) Specialized means of transportation of a technological line and means of transportation used for transporting employees; 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; d) Raw materials and materials used to manufacture equipment and machinery in technological lines or to manufacture components, details, separate sections, spare parts, fittings, moulds and accessories accompanying the equipment and machinery referred to in sub-clause (a) of this clause; e) Construction materials which are not yet domestically produced; • Agricultural species imported for investment projects as regulated. • Goods imported for BOT and subcontractors of BOT, BTO, BT include: <ul style="list-style-type: none"> a) Machinery and equipment to form fixed assets, including those used for exploration, design and construction projects; b) Specialized means of transportation for high-technology projects and means of transportation used for transporting 	<ul style="list-style-type: none"> • Specially preferential rates apply to imports from countries with which Vietnam has signed agreements to apply such rates (AFTA/CEPT, ASEAN – China, ASEAN - Korea). • Discretionary additional tax is imposed in case of: <ul style="list-style-type: none"> • Imported quantity beyond a certain level. • Import dumping. • Imports subsidized by exporting country, thus hindering domestic production. • Imports from countries imposing strict import tax policy on Vietnamese exports.

Vietnam: Summary of the Tax System (continued), August 2007

Nature of the Tax	Tax Deductions and Exemptions	Rates
	<p>employees;</p> <ul style="list-style-type: none"> c) Components, details, separate sections, spare parts, fittings, moulds and accessories accompanying the equipment, machinery and specialized means of transportation, d) Raw materials and materials used to implement projects and their operations. 	
	<ul style="list-style-type: none"> • First time import of certain equipment and goods stipulated by Decree 149/2005/ND-CP to form fixed assets of encouraged investment or ODA-funded investment in 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. 	
	<ul style="list-style-type: none"> • Goods imported in order to support petroleum operations, comprising: <ul style="list-style-type: none"> a) Equipment, machinery, replacement accessories and specialized means of transportation which are essential for petroleum operations; b) Materials which are essential for petroleum operations and which cannot yet be produced domestically. 	
	<ul style="list-style-type: none"> • Shipbuilding enterprises are exempted from export duty for ship products and import duty for imported machines, equipment to form fixed assets as defined Ministry of Science and Technology; materials, semi-products that cannot be produced domestically. 	
	<ul style="list-style-type: none"> • Imported materials for software development. • Goods which are imported for direct use in scientific research and development of technology, including machinery, equipment, accessories, 	

Vietnam: Summary of the Tax System (continued), August 2007

Nature of the Tax	Tax Deductions and Exemptions	Rates
	<p>materials and means of transportation which cannot yet be produced domestically, and technology which is not available domestically; and scientific books and data.</p> <ul style="list-style-type: none"> • 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 (Decree 149/2005/ND-CP referred) or production of components, mechanic, electric and electronic items shall be exempted from import duty for a duration of five years from the commencement of production. • 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. 	
<p>b) Export duty</p> <p>Export taxable value is determined as contract selling price at export gate (FOB, DAF), not including insurance fees and transportation fees.</p> <p>Commodities subject to current export duty include:</p> <ul style="list-style-type: none"> • Crude oil • Wood and wood products • Cashew nuts • Ores • Coal, lignite, peat, coke 		<p>Export duty rates:</p> <ul style="list-style-type: none"> • Crude oil: 4% (subject to changes from time to time) • Wood and wood products: 5%, 10% • Cashew nuts: 4% • Minerals: 1%, 2%, 5%, 10%, 20% • Gemstones: 1%, 3%, 5% • Metallic wastage: 35%, 40%, 45% • Semi-product metals: 2%, 5% • Hides, skins, live animals: 10% • Botanic materials (rattan, etc.): 3%, 10%

Vietnam: Summary of the Tax System (continued), August 2007

Nature of the Tax	Tax Deductions and Exemptions	Rates												
<ul style="list-style-type: none"> • Precious and semi-precious gemstones • Metallic wastage • Zinc, lead, aluminum bar • Uncompleted metals • Hides, skins, live animals • Botanical materials (rattan, etc) 														
7. Profit Remittance Tax		Abolished from 1 January 2004.												
8. License Tax	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"> • Registered capital more than VND10 billion: VND3 million. • Registered capital from more than VND5 billion to less than VND10 billion: VND2 million. • Registered capital from more than VND2 billion to less than VND5 billion: VND1.5 million. Registered capital of less than VND2 billion: VND1 million.												
9. Slaughter Tax														
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)												
10. Tax for Use of Agricultural Land														
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: <ol style="list-style-type: none"> a) barren hills and land used for agricultural production b) reclaimed land used for: <ul style="list-style-type: none"> • annual crops: 5 years; 7 years of exemption will be applied for marsh and sea-encroaching areas. 	Annual crops												
Category of land is determined based on following: <ul style="list-style-type: none"> • quality • location • region (field, middle, mountain) • weather • irrigation supply and drainage situation 		<table style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: center; border-bottom: 1px solid black;">Category of land</th> <th style="text-align: center; border-bottom: 1px solid black;">Tax (kg paddy/ hectare)</th> </tr> </thead> <tbody> <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> </tbody> </table>	Category of land	Tax (kg paddy/ hectare)	1	550	2	460	3	370	4	280	5	180
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Vietnam: Summary of the Tax System (continued), August 2007

Nature of the Tax	Tax Deductions and Exemptions	Rates												
<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>	<ul style="list-style-type: none"> • perennial crops: during capital construction plus 3 years from time crops start yielding output; 6 years for marsh and sea-encroaching areas. c) <ul style="list-style-type: none"> target groups of social policies • for farmer households in mountains, border, and island areas and minorities. • invalid or elderly farmer households without any support. • martyr families that are being subsidized by the state • households of war invalids of the level 1/4 and 2/4 and sick soldiers of the level 1/3 and 2/3. • Tax reduction for other types of household of difficulties, which will be considered. d) <ul style="list-style-type: none"> Tax exemption and reduction due to calamities; tax on agricultural land use would be exempted or reduced in crop basis as follows: <ul style="list-style-type: none"> • damage from 10-20%: tax reduction according to the rate of damage • damage from 20-30%: reduction of 60% • damage from 30-40%: reduction of 80% • damage of 40% or more: tax exempted (100%) 	<p>6</p> <p>Perennial and long-term crops</p> <table border="1" data-bbox="451 317 662 701"> <thead> <tr> <th>Category of land</th> <th>Tax (kg paddy/hectare)</th> </tr> </thead> <tbody> <tr><td>1</td><td>650</td></tr> <tr><td>2</td><td>550</td></tr> <tr><td>3</td><td>400</td></tr> <tr><td>4</td><td>200</td></tr> <tr><td>5</td><td>80</td></tr> </tbody> </table>	Category of land	Tax (kg paddy/hectare)	1	650	2	550	3	400	4	200	5	80
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<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"> • 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. • Exemption 100%: poor household, agricultural households in communes of very difficult social economic conditions. • Exemption 50%: Other cases. <p>Exemptions are:</p>	<ul style="list-style-type: none"> • 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. • Exemption 100%: poor household, agricultural households in communes of very difficult social economic conditions. • Exemption 50%: Other cases. 	<p>As for wood tree and perennial trees that are harvested one time only, tax rate is 4% of the output value.</p>												
<p>11. Land and housing tax Ordinance on Residential Housing—Land Tax</p>	<p>Exemptions are:</p> <ul style="list-style-type: none"> • Land used for buildings/housing in the cities 													

Vietnam: Summary of the Tax System (continued), August 2007

Nature of the Tax	Tax Deductions and Exemptions	Rates
<p>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>Temporarily not to collect tax on housing.</p>	<ul style="list-style-type: none"> • Land authorised for public works; religious sites. Temporary exemptions are: • Land used for building of administrative offices. • Land in mountainous areas which are exempted from the agricultural land use tax. • Residential land of war invalids of level 1/4 and 2/4 level and families of fallen combatants who are entitled to state subsidies • Residential land of disabled persons, minors and elderly people without family support. <p>Tax reduction or exemption will be applied for households in difficulty due to natural disasters, wars or other contingencies.</p>	<p>and towns: tax rate is between 3 times and 32 times of the highest level of agricultural tax recorded in the same region.</p> <ul style="list-style-type: none"> • 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. • 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.
<p>12. Land Use Charge</p> <p>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"> • Land used under investment promotion schemes provided by the law on investment. • 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. • Land used for building public works with business orientation in education, health care, sport, and culture. • 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. • 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. 	

Vietnam: Summary of the Tax System (continued), August 2007

Nature of the Tax	Tax Deductions and Exemptions	Rates												
	<ul style="list-style-type: none"> • Other cases according to decisions of the Prime Minister. <p>Reduction:</p> <ul style="list-style-type: none"> • 50% reduction for land use within the originally granted land for the poor household. • 20% reduction for land use by enterprises relocated due to government planning/zoning. • Land granted within the originally granted land for revolutionaries which are not in the list of the exemption list noted above. • Other cases according to decisions of the Prime Minister. 													
<p>13. Land Use Right Transfer Tax 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"> • Transfer of land use rights by households or individuals moving to new economic zones, mountainous areas, or islands under the decision of competent authorities • Women who are a 'Vietnamese Heroic Mother' • Transfers in communes of mountainous areas or islands as regulated by the Government • Swaps between agricultural, forestry, fisheries and salt production land • Economic entities that are provided land by the Government to develop infrastructure and which paid land user charge • A 50% reduction is given for: <ul style="list-style-type: none"> • War invalids of level 1/4 and 2/4 or sick soldiers of level 1/3 and 2/3 • Martyr households that are subsidized by the State • Handicapped, pre-mature and elderly people with no support 	<p>Households/ individuals:</p> <ul style="list-style-type: none"> • For land used for agricultural, forestry, fisheries and salt production, the tax rate is 2% • For other types of land: tax rate is 4% <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="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: left;"><u>After Tax Profits/Expenses</u></th> <th style="text-align: right;"><u>Tax Rate</u></th> </tr> </thead> <tbody> <tr> <td>Up to 15%</td> <td style="text-align: right;">0%</td> </tr> <tr> <td>More than 15% to 30%</td> <td style="text-align: right;">10%</td> </tr> <tr> <td>More than 30% to 45%</td> <td style="text-align: right;">15%</td> </tr> <tr> <td>More than 45% to 60%</td> <td style="text-align: right;">20%</td> </tr> <tr> <td>More than 60%</td> <td style="text-align: right;">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 2007

Nature of the Tax	Tax Deductions and Exemptions	Rates
<p>14, Registration Fees 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"> • Housing and land: 1% • Boats, ships: 1% (off-shore fishing boats: 0.5%) • Automobiles, motorcycles, hunting and sport guns: 2% <p>The maximum level of above fees shall be VN500 million per asset.</p>
<p>15. Fess and Tolls 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>Fees are levied in the following fields, inter alia:</p> <ul style="list-style-type: none"> • Agriculture, forestry, marine products • Industry, construction • Trade, investment • Transportation • Etc. <p>Tolls are levied in the following fields, inter alia:</p> <ul style="list-style-type: none"> • Immigration • Asset registration • Business registration • Etc.