

ECONOMIC OVERVIEW OF VIETNAM IN THE FIRST 9 MONTHS OF 2007

1. Economic growth:

In the first 9 months of 2007, all economic indicators of Vietnam showed a gradual positive increase. GDP growth rate speeded up by quarter, 7.7% in 1st quarter, 8% in 2nd quarter, and 8.9% in 3rd quarter. Industrial-construction output value reached 17.1% in growth and delivered highest contribution to the growth of GDP.

Structure of GDP is moving toward industrialized and modernized direction with lower proportion of agriculture and higher of industry and service. GDP proportion of agriculture reduced from 20.45% to 20.08%, industry increased from 41.31% to 41.48%, service increased from 38.25% to 38.44%.

Retail sales of goods and services increased 22.8% included the 7.32% increase of Consumer Prices Index.

Annex 1: GDP in 9 months, 2007

Annex 2: Industrial outputs September & 9 months in 2007

Annex 3: Consumer price indexes, September 2007

Annex 4: Total retail of good and services, 9 months in 2007

2. Foreign trade:

Export turnover of the first 9 months reached 35.2 billion dollars, increased 19.4% against the same period last year. Export from FDI enterprises reached 19.8 billion dollars, domestic enterprises reached 15.6 billion dollars.

Non – oil export showed solid growth of 28% and counted or 84% of total export turnover. High growth export commodities are:

Garment: 5.8 billion dollars, increased 31.7% against the same period last year

Coffee: 1.47 billions dollars, increased 86.1%

Footwear: 2.97 billions dollars, increased 13.1%

Seafoods: 2.7 billion dollars, increased 13.4%

Wooden products: 1.7 billion dollars, increased 24.8%

Electronics and parts: 1.5 billion dollars, increased 23.6%

Crude oil export showed a decrease of 773 million dollars against the same period last year. Other commodities with decrease in export are: rubber, pepper and bicycle.

American market is the biggest among Vietnam's export markets. Export value to America in 9 months gained over 7 billion USD, accounting for 19.9% of total export value, increasing by 19.5% against same period last year. EU market gained 6.5 billion USD, accounting for 18.4% and rising by 29%. ASEAN market achieved 5.9 billion USD, accounting for 16.7% and rising by 26% against 9 months of 2006; Japan: 4 billion USD, for 11.4% and by 3.7%; China: 2.3 billion USD, for 6.5% and by 3.3% respectively.

Import turnovers in 9 months was estimated at 42.9 billion USD, increased by 30.3% against same period last year, of which the domestic sector gained 27.5 billion USD, accounting for 64.1% of total import value and rising by 31.3%; the FDI sector was 15.4 billion USD, accounting for 35.9% and growing by 28.6%.

Import deficit in 9 months increased 7.6 billion USD, equaling 21.7% export value in 9 months and over 2.2 times as much as the rate of 9 months of 2006. Trade budget turnover in 8 months showed that import deficit from China was 5.25 billion USD; Taiwan: 3.37 billion USD, Singapore: 3.36 billion USD; South Korea: 2.46 billion USD; Thailand: 1.5 billion USD.

Annex 5: Exports, September & 9 months in 2007

Annex 6: Imports, September & 9 months in 2007

3. Investment

Vietnam attracted more than US\$9.6 billion of foreign direct investment (FDI) capital in the first 9 months of this year, an increase of 38 per cent over the same period last year.

The capital account has witnessed strong net inflows of FDI and Official Development Assistance (ODA). In both categories, especially ODA, given the high level

of recent commitments, there is a significant potential to speed up disbursement through more concerted efforts.

Of the figure, \$8.29 billion is from 1,045 newly-licensed projects and the rest is total extra amount of 274 turns of projects asking for increasing capital.

With registered capital of \$2.1 billion, the Republic of Korea maintained its first position among 47 countries and territories investing in Vietnam, followed by Singapore \$1.3 billion, the British Virgin Islands \$1.2 billion, Chinese Taipei \$629.7 million and Japan \$623.1 million.

The first nine months of this year witnessed a 50% on-year increase in the number of large-scale projects granted certificates of investment which are mainly invested in real estate. Average investment capital reached \$8 million per project, compared with \$7.01 million per project seen in the same period in 2006.

FDI has come to 50 provinces nationwide, of which Ho Chi Minh City attracts the most with \$1.1 billion of registered capital, followed by Ba Ria – Vung Tau \$1.06 billion, Hanoi \$864 million, Binh Duong \$634 million and Hau Giang \$629 million.

Annex 7: FDI in 9 months 2007 by economic activity

Annex 8: Top ten countries in FDI in 9 months 2007

Annex 9: Top ten cities/provinces in FDI in 9 months 2007

ANNEX

Annex 1. Gross Domestic Products, 9 months in 2007

	At current prices		At 1994 constant prices	
	Total (VND BN)	Structure (%)	Total (VND BN)	Growth rate vs. 9 months in 2006 (%)
TOTAL	787231	100.00	324226	108.16
Agriculture, Forestry & Fishery	157951	20.06	57846	103.02
Agriculture	117928	14.98	47009	102.04
Forestry	7389	0.94	1845	101.17
Fishery	32634	4.14	8992	109.01
Industry and Construction	328024	41.67	134762	110.15
Mining	79160	10.06	17806	100.25
Manufacturing	173444	22.03	80454	112.51
Electricity, gas & water supply	28236	3.59	10091	111.01
Construction	47184	5.99	26411	110.14
Services	301256	38.27	131618	108.54
Trade	105830	13.45	51739	108.27
Hotel & restaurant	31287	3.97	12567	112.73
Transport, warehouse & communication	35925	4.57	13923	111.25
Finance, banking & insurance	13009	1.65	6145	109.46
Scientific & technical activities	4121	0.52	1720	107.37
Real estate business	31626	4.02	12258	103.74
State management	21258	2.70	8464	108.20
Education & training	24991	3.17	11064	108.24
Health	11559	1.47	4548	107.80
Culture & sport	3118	0.40	1615	107.74
Party, unions & associations	1036	0.13	367	107.96
Services for personals & community	16123	2.05	6629	107.83
Hired labor in households	1373	0.17	579	108.44

**Annex 2. Industrial output in September & 9 months in 2007
(at 1994 constant prices)**

	Performance (BN. VND)			September 2007 vs. September 2006 (%)	9 months in 2007 vs. same period in 2006 (%)
	8 months in 2007	Estimate September 2007	Accrued 9 months in 2007		
TOTAL	368375	49701	418076	118.1	117.1
<i>BY ECONOMIC SECTOR AND TYPE</i>					
State sector	94314	11161	105475	111.5	110.3
Central	66726	8110	74836	114.8	113.2
Local	27588	3051	30639	103.5	103.8
Non-state sector	133233	18887	152120	123.6	120.9
FDI sector	140828	19653	160481	117.1	118.3
Oil and gas	20067	2049	22116	81.2	93.9
Others	120761	17604	138365	123.5	123.4
<i>BY MANAGEMENT LEVEL</i>					
Central	66726	8110	74836	114.8	113.2
Local	160821	21938	182759	120.3	117.7
State enterprises under local management	27588	3051	30639	103.5	103.8
Non-state	133233	18887	152120	123.6	120.9
FDI sector	140828	19653	160481	117.1	118.3

**Annex 3. Consumer price indexes, gold & US\$ price indexes,
September 2007**

	September 2007 vs.				%
	Base year (2005)	September 2007 vs.			9 months in 2007 vs. same period in 2006
		September 2006	December 2006	August 2007	
Consumer price indexes	116.09	108.80	107.32	100.51	107.53
Restaurant & catering services	121.14	113.32	110.57	101.02	109.64
<i>Of</i>					
<i>which:</i> Food	124.81	116.21	107.96	100.85	114.90
Foodstuff	119.91	113.12	112.18	101.26	107.86
Drinks & cigarettes	112.83	105.65	104.53	100.06	106.05
Textile, footgear & hats	111.66	105.94	104.75	100.31	106.12
Housing & construction materials	119.01	109.47	109.66	100.43	109.95
Family appliances & tools	112.21	106.17	104.25	100.25	106.37
Medicaments, health	111.16	106.20	105.20	100.91	104.60
Means of transport, communication	110.87	100.49	102.71	99.16	103.44
<i>Of</i>					
<i>which:</i> Post, telecommunication	93.79	97.72	97.97	99.57	97.33
Education	107.57	103.43	101.62	100.39	103.75
Culture, sports, entertainments	106.47	103.03	102.24	99.11	103.66
Others	114.92	108.55	105.73	100.42	107.49
GOLD PRICE INDEXES	155.80	109.88	107.99	101.93	110.18
US\$ PRICES INDEXES	102.55	101.47	101.05	100.57	100.73

**Annex 4. Total retail sales of goods and services,
9 months in 2007 at current prices**

	9 months in 2007 (VND BN)	Structure (%)	Compared to same period last year (%)
TOTAL	520545	100.0	122.8
By economic ownership			
State	55624	10.7	95.9
Collective	5006	1.0	122.5
Individual	297592	57.2	124.0
Private	148681	28.5	134.2
FDI sector	13642	2.6	124.1
By economic activity			
Trade	418839	80.5	121.7
Hotel, restaurant	63606	12.2	123.2
Tourism	5206	1.0	130.5
Service	32894	6.3	135.0

Annex 5. Exports, September & 9 months in 2007

'000 tons, US\$million

	Performance 8 months in 2007		Estimate September 2007		Accrued 9 months in 2007		9 months in 2007 vs. same period in 2006 (%)	
	Volume	Value	Volume	Value	Volume	Value	Volume	Value
TOTAL VALUE		31131		4100		35231		119.4
Domestic economic sector		13653		1760		15413		124.9
FDI sector		17478		2340		19818		115.4
Crude oil		5141		640		5781		88.7
Others		12337		1700		14037		131.7
Main items								
Crude oil	10075	5141	1140	640	11215	5781	89.6	88.7
Coal	21324	665	2600	80	23924	745	118.8	117.2
Textile		5055		750		5805		131.6
Footwear		2669		300		2969		113.1
Had bags, wallets, suitcases, umbrellas		417		50		467		127.3
Electronics, computers		1313		200		1513		123.6
Rattan, bamboo, rush, carpet goods		148		19		167		117.8
Porcelains & ceramics		222		25		247		126.5
Valuable stones and metals		113		16		129		112.1
Electric wires & cables		549		80		629		127.3
Plastic products		444		65		509		150.9
Bicycles and spare parts		55		6		61		67.0
Fats & oils, animal & vegetables		28		5		33		282.3
Children toys		48		7		55		124.9
Instant noodles		52		6		58		111.7
Rice	3575	1138	400	126	3975	1264	98.5	114.9
Coffee	935	1402	40	67	975	1469	144.2	185.9
Vegetables & fruits		204		25		229		117.3
Rubber	422	794	75	143	497	937	98.4	98.4
Pepper	59	185	8	25	67	210	63.5	129.4
Cashew nuts	95	397	17	70	112	467	121.7	126.8
Tea	70	72	12	15	82	87	107.9	109.9
Wooden products		1510		200		1710		124.9
Seafood		2361		370		2731		113.4

Annex 6. Imports, September & 9 months in 2007

'000 tons, US\$ million

	Performance 8 months in 2007		Estimate September 2007		Accrued 9 months in 2007		9 months in 2007 vs. same period in 2006 (%)	
	Volume	Value	Volume	Value	Volume	Value	Volume	Value
TOTAL VALUE		37767		5100		42867		130.3
Domestic economic sector		24215		3250		27465		131.3
FDI sector		13552		1850		15402		128.6
Main items								
Automobiles ^(*)		744		142		886		180.5
<i>Of which:</i> Complete units	13	260	2	47	15	307	163.6	195.6
Machinery, equipment, tools & spare parts		6327		900		7227		154.9
Electronics, computers and spare parts		1789		270		2059		142.7
Petroleum	8309	4563	900	548	9209	5111	108.0	109.4
Steel	4853	2970	680	445	5533	3415	128.9	157.0
<i>Of which:</i> Steel, rough	1366	654	200	106	1566	760	102.7	131.1
Fertilizer	2331	561	250	61	2581	622	108.6	119.1
<i>Of which:</i> Urea	399	103	40	10	439	113	71.4	75.6
Plastic in primary form	1026	1524	130	201	1156	1725	113.9	126.3
Chemicals		908		130		1038		138.5
Chemical products		804		115		919		124.4
Medicaments		440		60		500		126.4
Insecticides		237		20		257		118.5
Papers	542	387	70	51	612	438	115.1	122.5
Textiles, leather		1396		160		1556		106.4
Fabrics		2569		310		2879		133.1
Textile yarn	274	472	35	62	309	534	121.3	132.7
Cotton	154	190	18	23	172	213	124.6	129.1
Cattle feed and supplies		787		110		897		154.4
Wheat	819	202	120	31	939	233	97.9	142.0
Wood and materials		666		95		761		140.3
Milk and dairy products		268		30		298		119.8
Fats & oils, animals & vegetables		256		45		301		172.1
Motorbike [*]		449		51		500		134.3
<i>Of which:</i> Complete units	81.8	85.6	9.0	11.1	90.8	96.7	224.7	189.1

(*) '000 units, million US\$

Annex 7. Newly registered Foreign direct investment, 01/01 - 22/9/2007 by economic activity

	Number of projects (Project)	Registered capital (000'USD)	
		Total	Of which: Legal capital
Total	1045	8,290,847	3,356,603
Petroleum	5	152,820	152,820
Heavy industry	256	2,056,017	791,966
Light industry	288	1,666,223	831,692
Food manufacturing	24	86,567	65,651
Construction	60	217,676	85,889
Agriculture and forestry	40	139,019	76,282
Fishery	12	24,775	17,569
Service	248	373,970	151,567
Transportation and communication	21	558,169	180,781
Hotel & tourism	38	1,593,564	575,663
Culture, health and education	36	182,623	97,894
New urban zones	2	150,000	40,000
Office, apartments	11	1,010,924	253,828
Infrastructures for industrial/processing zones	4	78,500	35,000

Annex 8. Top ten countries/ territories in newly registered Foreign direct investment 01/01 - 22/9/2007

	Number of projects (Project)	Registered capital (USD)	
		Total	Of which: Legal capital
Korea	311	2,100,022,230	792,296,223
Singapore	67	1,377,440,000	443,874,000
BritishVirginIslands	39	1,230,396,930	577,220,564
Taiwan	151	629,720,078	266,526,378
Japan	122	623,125,407	207,616,707
India	3	533,380,000	160,218,000
China	76	286,905,306	143,351,994
USA	41	215,229,270	98,048,250
Thailand	17	185,439,000	65,408,000
Hongkong	40	156,493,907	72,434,708

Annex 9. Top ten province/ city by newly registered Foreign direct investment, 01/01 - 22/9/2007

	Number of projects (Project)	Registered capital (USD)	
		Total	Of which: Legal capital
Hochiminh City	279	1,119,862,712	340,550,439
Baria – Vungtau	17	1,066,247,000	345,902,000
Hanoi	143	864,285,523	323,235,290
Binhduong	174	634,646,300	305,654,633
Haugiang	2	629,000,000	349,700,000
Hue	6	559,853,848	185,978,848
Danang	15	422,427,895	104,531,250
Dongnai	64	307,478,584	144,966,863
Bacninh	26	277,133,069	107,149,869
Haiphong	42	269,544,603	120,054,915