

Country Report

Vietnam

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Country Report

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Summary

In 2003, despite of the impacts of different difficulties such as SARS epidemic (in the first quarter), shrinking in some export markets (cat fish to the US, tea export to Iraq in the second quarter), reform policy kept economic development away from down. SARS epidemic was rapidly isolated and stopped, and the 22nd SEA GAMES organized in December 2003 was successfully taken place. Vietnam sustained GDP growth at 7.24 per cent. GDP growth of Vietnam was considered (by ADB, WB) as the highest one among ASEAN countries.

Policy on economic reform continued to mobilize investment, attract FDI, and push economic growth. Land law amendment approved by national Assembly in July 2003 has increased ownership on land and created land market; Agriculture tax was exempted since 2003 for all farmers; Two price system that decimates foreigners and Vietnamese has been dismissed step by step in most areas such as entry fee, transport ticket, power and water services.

Export earning in 2003 brought USD19.9 billions, or increased 19 per cent in comparing with one in 2002. Import value growth at 26.7 per cent, reached USD24.9 billion. Trade deficit in 2003 was highest during last 5 year. Deficit estimated as USD5.12 billions, in which FDI projects have surplus with USD1.29 billions and national trade had deficit of USD6.4 billions.

Arrival of foreigners in 2003 was lower than that in 2002. There were 2.439 millions persons arrived in 2003 against 2.6 millions persons arrived in 2002.

High growth of economy has created 1.5 million new jobs, and income improvement made the poverty ratio reduced from 14% in 2002 down to 12.5 per cent in 2003.

However the country is facing high challenges of development. Input prices are high, especially in power supply and services costs. Quality and productivity of products and goods is low. The competitiveness of economy is low and not sustainable.

Vietnamese population continues to increase about 1 million persons per year; and every year there are more than 1 million working-age persons entry labor market.

In 2002, there were 38 millions workers and it increased to 40.5 millions working-age persons with more than 15 years old working in economy. Unemployment rate in urban areas reduced from 7% in 2002 to 5.8 per cent in 2003. However unemployment in rural area is still high. It is estimated that unemployment in rural areas is 22 percent.

Shortage of skilled workers is still a problem for the economy. The number of employers without training is very high. It shares about 85% of employment. The income disparity increased from 7.6 times in 1999 to 8.1 times in 2002. The income disparity increased in urban area, but it reduced in rural area despite that income in rural area twice lower than that in urban area.

In 2003, number of Vietnamese going abroad raised significantly, especially in export of labor. The destination of export Vietnamese workers moved from north-east Asian countries (such South Korea, Japan) to south Asian countries like Malaysia. Export workers in 2003 increase 63 per cent in comparing to 2002. There are more than 75,000 persons have gone abroad to take contracted jobs, from which 40,000 workers came to Malaysia, 27,000 workers were sent to Taiwan. Most export workers are low skills ones. They take a job as home service, housekeepers, ordinary workers in construction, assembling.

The numbers of skilled going abroad were low. It is estimated that there are about 250 skilled workers going abroad every year. Country destination is countries in Africa, Singapore, America ext.

The number of foreigners arriving to work in Vietnam is low. In 2003, there are 473260 foreigners arrived Vietnam to work. Most of them are skilled experts working as short time/part time for project implementation.

Increase labor export is promoted in Vietnam. Government tries to create favorable conditions to help workers going abroad by signing agreement on labor export with different countries. High skilled foreigners are encouraged to come to work in Vietnam too.

1. Main Report

(1) Introduction

During 2003, Vietnam continues to expand its policy on world economic integration. Trade liberalization is accelerated by actively implementing BTA with the USA, reducing tariff under ASEAN/AFTA, negotiating to join WTO, lifting entry visa application to citizens from other countries (Japan, Indonesia, China). Economic growth was sustained at high rate of about 7 per cent and inflation is under control with CPI is about 3 per cent. Export increased by 16 per cent. Export workers was improved significantly. The number of workers going abroad increased to 75,000 persons. The implementation of poverty alleviation program under the 10-year national program of Country Poverty Reduction and Growth Strategy enabled the poor access opportunities (land, credit, training) to improve their income. SARS epidemic was rapidly isolated and stopped, and the 22nd SEA GAMES organized in December 2003 was successfully taken place.

(2) Domestic Economy and Labor Market

(a) Recent trends in the domestic economy (including economic policy and development strategy)

In 2003, Vietnam sustained GDP growth at 7.24 per cent. It was met the target determined by National Assembly and it this the highest rate in the last 6 years. GDP growth of Vietnam was considered (by ADB, WB) as the highest one among ASEAN countries (see Table 1).

Policy on economic reform continued to mobilize investment, attract FDI, and push economic growth. Land law amendment approved by national Assembly in July 2003 has increased ownership on land and created land market; Agriculture tax was exempted since 2003 for all farmers; Two price system that decimates foreigners and Vietnamese has been dismissed step by step in most areas such as entry fee, transport ticket, water supply ext.

Table 1: Main Economic Performance in 2001- 2003

Main Performance	2001	2002	2003	Target 2005
GDP growth (%)	6.9	7.0	7.2	7.5
Agriculture growth (%)	4.7	6.5	4.7	4.8
Industry growth (%)	14.6	14.8	15.8	13.0
Export growth (%)	3.8	11.2	16.7	16.0
Investment to GDP (%)	34.0	33.3	35.6	
Poverty rate (%)	16.1	14.5	12.0	10.0
Reduce malnutrition of under 5 years old child (%)	31.9	30.1	28.0	22-25
Attending of Primary School Age (%)	76.5	78.1		80.0
Attending of Secondary School Age (%)	35.2	37.9		45.0
Reduce Birth Rate (%)	0.06	0.04	0.04	0.05
Reduce Population growth (%)	1.4	1.3	1.3	1.2

Source: General Statistic Office. 2003

Tariff of about 750 kinds of goods have reduced under AFTA scheme in August 2003. Implementation of Private Enterprise Law as accelerated, hundreds kinds of business permits concerning different business establishment and management were revised and abolished; This created more fair market to participate.

Business companies in Vietnam, especially international-financed projects are reluctant to recruit skilled workers because of paying high income tax. The contradiction is that with the same wage rate, company shall have to pay higher personal income tax for Vietnamese workers against foreign workers. One of attempt to promote investment and skilled worker was to revise the code on Personal Income Tax. (see table 2). The revision was submitted to National Assembly in November 2003 for approval. But it was requested to revise again to give equal status of income tax for both Vietnamese and foreign workers working in Vietnam.

Within 2003, despite of the impacts of different difficulties such as SARC epidemic (in the first quarter), shrinking in some export markets (cat fish to the US, tea export to Iraq in the second quarter), reform policy kept economic development away from down. Quarterly GDP growth was continued improved. GDP increased from 6.88 per cent on in the first quarter to 6.9 per cent in the second quarter, 7.1 per cent in the third and 7.5 per cent in the fourth quarter.

Table 2: The Proposal of Income Tax Revision

Group	Average Monthly Personal Income (VND, million)		Tax rate (%)
	Recent	Adjusted	
For Vietnamese			
1	to 3	to 4	0
2	3-6	4-9	10
3	6-9	9-16	20
4	9-12	16-25	30
5	12-15	over 25	40
6	over 15		50
For Foreigners			
1	to 8	to 8	0
2	8-20	8-20	10
3	20-50	20-50	20
4	50-80	50-80	30
5	80-120	over 80	40
6	over 120		50

Source: Vietnam Economic Time, December 12th 2003.

The structure of the country economy was adjusted by increasing of manufacturing and reducing of agriculture sectors. The share of industry in GDP in 2000 was 36.73 per cent, increased to 38.13 per cent in 2001, then to 38.55 per cent in 2002 and it was about 40 per cent in 2003.

The ratio of agricultural production in GDP reduced from 24.53 per cent to 23.24 %, then down to 22.99 and 21.6 per cent in the correspondent years. Service sector has occupied high ratio within GDP, but its growth was not stable with reduction trend. The percentage of service in GDP decreased from 38.74 per cent in 2000 down to 38.63 per cent in 2001, and 38.46 and 38.01 per cent in 2002 and 2003.

The progress in implementing Private Company Law has provided more opportunities for private business development. About 10,000 new private companies were established in 2003, and it made the total number of private enterprises in the country reached 150,000 units. Non government sector contributed 48 per cent of GDP and the economic value share of FDI enterprises increased from 13.91 per cent in 2001 to 13.75 per cent in 2002 and 14 per cent in 2003.

The sustaining high economic growth has improved government budget revenue. In 2003, government budget revenue increased with 11.3 per cent that was 7.1 per cent higher than expected target. Total budget revenue was VND132,500 billions, equal to 21.7 per cent of GDP.

Government budget expenditure increased by 10 per cent. Budget deficit still increased but 70 per cent of deficit was covered by domestic resources.

All economic sectors have sustained high growth rate.

- Agriculture: to response to market changes, 55000 ha of rice land has been converted into other more profitable crops like fruit trees, or aquaculture with fish and shrimp growing. total rice land in 2003 was 7,449,300 hectare, reduced by 0.7 per cent in comparing one in 2002. However the rice yield continued improve. In 2003 paddy yield was 4.63 tone per hectare, increased 0.9 per cent. Total rice production reached 34.5 millions tones (71400 tones higher than that in 2002), and maize production was 2.94 millions tones.

Rice Production

Year	Area (.000 ha)	Production (.000 Tone)
1998	7362.7	29145.5
1999	7653.6	31393.8
2000	7666.3	32529.5
2001	7492.7	32108.4
2002	7504.3	34447.2
2003	7443.6	34669.3

The unfavorable climate in 2003 made production of some industry crops reduce. Cotton production was 35200 tones, reduced 12 %; jute reduced 38.7% (12500 tones), sugar cane production was -3.5% with 16500 millions tones, groundnut was 400000 tones. The improvement was in expanding cultivation area of other crops such as rubber area increased 15100 ha to have total area of 258,500 ha, cashew nut area increased by 11200 ha (with total area of 184400 ha), tea raised 7800 ha (total 85000 ha), pepper - 4400 ha (29300 ha).

The production of rubber increase 5.3% to have 313900 tones, pepper increased 49.8 % (with 70100 tone), cashew nut increased 23.7% (159300 tones), and soy bean production increased 9.6 % to have 225300 tones.

The cultivation area of fruit trees (mango, orange, mandarin, litchi) increased 42300 ha to reach 719500 ha. Production of orange in 2003 was 500,000 tones with growth of 15%, mango - 35% with 305000 tone.

Livestock development was improved. In 2003 stock of buffalo increased 0.7 per cent with total of 2834900 heads, number of cow reached 4379300 heads with 8.2 per cent growth, there are 24879100 heads of pig (increased by 7.4 per cent) and 254 millions heads of poultries.

- Forestry: the efforts were focused on forest plantation under 5 million hectare forest program with target to increase forest coverage to 43% by 2010. The new forest plantation covered 129000 hectare in 2003, and forest coverage increased from 32% in 2001 to 34.8% in 2003. Forest land allocation to the farmers and forest plantation program has created income opportunity to the rural labors and stimulated investment.

- Fishing: In 2003, fishing increased by 5,6 per cent with 1941700 tones of fish and 3241000 tones of shrimp. Ocean fishing caught 1828500 tones and fresh water fishing production was 966100 tones. The area of land for aquaculture increased 7.6 per cent with total area of 858000 ha.

- Industry: Industry growth in 2003 was 16 per cent, the highest rate during last 3 years. FDI industry increased by 18.5 per cent and contributed 38 per cent of industry value; while non government industry growth was 18.6 per cent and shared 26.5 per cent of industry value. Some industries have high growth rate such as mining 16%, fish products 17.2%, refinery sugar 27.4%, textile 38.6%, garment 37.3%, paper production 10.9%, cement 14.1%, steel 9.7%, diesel generator 75.7%, television 30.8%, car assembling 38.4%, electricity 14.9%. Production of crude oil increased from 16.3 million tones in 2000 to 17.7 million tones in 2003 and brought export earnings of USA3.8 billions.

- Investment: Investment in 2003 increased 18.3 per cent with total value of VND217600 billions. Domestic capital contributed 83,2% and FDI shared 16.8 per cent.

Table 3: Development Investment in 2001-2003
(actual price, in VND)

Year	Total	In which		
		State Investment	Non State Investment	FDI
In value (1000 billion)				
2001	163.5	95.0	38.5	30.0
2002	183.8	103.3	46.5	34.0
2003*	217.6	123.0	58.1	36.5
In percentage				
2001	100.0	58.1	23.5	18.4
2002	100.0	56.2	25.3	18.5
2003	100.0	56.5	26.7	16.8

(*) Estimation

Source: Vietnam Economy: 2001-2003. Statistic Office. Hanoi, 2003

State investment focused on infrastructure, rural development, construction and health care facilities.

FDI reduced 21% of projects and 2.9% of capital. In 2003, there were 596 FDI projects with total capital of USD1,512.8 millions have been approved, and number of on going FDI projects have increased their investment value, that make total FDI capital investment in 2003 was USD2 billions. By industry, 69.6% of projects (with 68% of capital) focused on construction and industry, 14.1% projects (with 10% capital) in agriculture, 16.3% of projects (21.7% of capital) on service.

Increasing investment has improve infrastructure facilities significantly. In this period, improve and new construction has covered about 5000 km of roads, 454 km of railway, 36 km of bridges, 1100 km of electric transmission wire. Electric supply increased by 2548 MW,

Telecommunication has installed 6.2 millions telephones, constructed 7000 post offices. The ratio of telephone to population reached 7.6 telephone per 100 persons. Telephone lines connected to all 8400 communes in the country.

- Transport: Transport service has received 873 millions person times, increased by 4.6 per cent. Transport by railway increased 7%, car 5%, ocean way 4.6% and waterway 2.4%, airway 1.8%. Goods transportation growth was 4.7 per cent and transportation has carried 255 million tones of goods in 2003. Number of all kinds of vehicle (cars, trucks, motorbike, ships, plans) increased rapidly, but accident is still a problem.

- Service: in 2003 total value of retail selling and services increased 12.2 per cent with earning of VND310500 billions. In which the trade has growth of 12.8 per cent and shared 81.3 per cent of total value. Restaurant and hotel service increase 14.4% and contributed 13% of value; and tourism reduced 13.9% due to SARC impact.

In December 2003, CPI increased 0.8% comparing to last month (November 2003) and 3% comparing to last December (2002). Food price increased 2.8%, education – 4.9%, construction materials – 4.1%, bravery and tobacco – 3.5%, garment – 3.4%, while the price of pharmacies increased 20.9%. Service price of telecommunication and post reduced 2%.

Under the impact in international market, price of gold in domestic market in 2003 was strongly raised (by 26.6%), but USD increased only 2.2 per cent.

Export earning in 2003 brought USD19.9 billions, or increased 19 per cent in comparing with one in 2002, in which FDI sector has higher growth rate. National economy exportation increased 11.7% and earned USD 9.9 billion, while export from FDI industry increased 27.2 per cent and got USD10 billions. 7 kinds of goods that have exportation value more than USD0.5 million were crude oil, garment, seafood, footwear, electronic, computer, rice and furniture.

In 2003 import value growth at 26.7 per cent, reached USD24.9 billion. National economy imported USD16.3 billion, that took 65.1 % of import value and increased 24.9%; FDI industry import value as USD8.7 billion, increased 30.1%. The goods have the highest import growth rate were: machinery and equipment - 41.1% (that shared 29.6% of import value), steel – 23.1%, oil and petroleum – 19.5%, garment inputs – 19.2%, cloths – 37.3%, computer and spare parts – 45.6%, fertilizers – 26.5%, plastics – 25.%;

Trade deficit in 2003 was highest during last 5 year. Deficit estimated as USD5.12 billions, in which FDI projects have surplus with USD1.29 billions and national trade had deficit of USD6.4 billions.

Table 4: Trade in 2003

	Total	Export	Import
Total (USD million)	44875	19880	24995
- National Economy	26138	9868	16270
- FDI economy	18737	10012	8725
Growth Rate (%)	23.2	19.0	26.7
- National Economy	19.6	11.7	24.9
- FDI economy	28.5	27.2	30.1

Source: Vietnam Economy: 2001-2003. Statistic Office. Hanoi, 2003

SARC has strong impacted on tourism industry. Arrival of international tourists in 2003 was lower than that in 2002. There were 2.439 millions persons arrived in 2003 against 2.6 millions persons arrived in 2002.

However domestic tourists of Vietnamese still slightly increased. In 2003, domestic market recorded 13 million Vietnamese tourists.

High growth of economy has created 1.5 million new jobs, and income improvement made the poverty ratio reduced from 14% in 2002 down to 12.5 per cent in 2003.

However the country is facing high challenges of development. Input prices are high, especially in power supply and services costs. Quality and productivity of products and goods is low. The competitiveness of economy is low and not sustainable. Malnutrition among children under 5 years olds is as high as 32 per cent.

Corruption, waste in construction investment and unemployment is still high and caused problems in improving effectiveness and efficiency of economy.

Illegal drug has not been controlled and the number of persons having drug affected increased.

(b) Recent trends in the domestic labor market (including surplus workforce and domestic wage disparities)

Vietnamese population continues to increase about 1 million persons per year; and every year there are more than 1 million working-age persons entry labor market.

In 2003, population growth of Vietnam was 1.18%, with total 80.7 million persons. In which the male is 49.2% and female is 50.8%. Urban population increased slowly (2.41% in 2003), that made urban population almost no change (20.5 million persons, or 25.4% of population). 74.6% of population (with 60.2 million persons) are in rural area.

Table 5: Population of Vietnam

	2001	2002	2003
Total (persons)	78685800	79727400	80665700
In Urban Area (%)	24.74	25.11	25.42
In Rural Area (%)	75.26	74.89	74.58

In 2002, there were 38 millions workers and it increased to 40.5 millions working-age persons with more than 15 years old working in economy, in which 48.8% is female workers in 2003. The number of labors in agriculture sector reduced very slowly – every year it reduced only 0.7 per cent.

Employment

		2000	2001	2002
Number of employment	persons	36701800	37676400	38715400
By Economic Sector	In %	100	100	100
Agriculture		68.8	68.2	67.2
Industry		12.1	12.5	12.9
Service		19.7	20.3	21.1

Development of private sector has created jobs for almost new workers, especially in the industry of aquaculture, food processing, construction, tourism, and service. Number of enterprises increased rapidly. (table 6)

Table 6: Number of Enterprises by the 1st January

	2001	2002		2003
	No of enterprise	No of enterprise	Employment (in %)	No of enterprise
Total	39762	51057	100	62892
By ownership				
- State	5531	5067	46.1	5033
- Non State, in which	32702	43993	38.6	55555
Cooperative	3187	3614	3.6	4112
Private enterprise	18226	22554	7.5	24818
Private limited company	10489	16189	20.5	23587
Private Shareholder company	800	1636	7.0	3038
- FDI	1529	1997	15.3	2304
By Activity				
Agriculture	891	3424		376
Industry	10946	12951		15818
Construction	3984	5588		7814
Trade	19281	22849		27633
Transport	1789	2535		3251
Others	2871	3710		5000

Due to high economic growth, job creation has increased from 0.9 millions places in 1999 to 1.6 millions places in 2003. By January 2001, there were 3.44 millions workers working in enterprises with average monthly wage of VND1.043 millions. This increased to 4.4 millions workers in 2003 with average monthly wage of VND1.2 millions.

Therefore unemployment rate in urban areas reduced from 7% in 2002 to 5.8 per cent in 2003. However unemployment in rural area is still high. It is estimated that unemployment in rural areas is 22 percent. Most rural workers are not or low skilled and they have not had vocational training. Therefore they facing difficulties when apply for non agriculture jobs.

Shortage of skilled workers is still a problem for the companies. They hardly to find enough qualified labors and skilled workers in spite of receiving a lot of applications.

To help companies in seeking qualified labors, promote labor supply to enterprises and to export, 150 Job Service Centers have been operating through out countries. In average, every year these centers have provided service to 0.6 millions job applicants. Job Fairs have been organized in industrial centers such as Hanoi, Da nang, Hai Phong to expand job services. Millions persons and thousands companies have participated Job Fairs to find information on job available, to disseminate information on companies, as well as to recruit workers.

In 2003, Job Service Centers received 530800 application forms to give to needed companies. And there were 8761 vacancies were announced in Job Fairs, and 23500 applications were submitted, but companies had interviewed and recruited only 722 workers in Job Fairs.

Technical Skills of Employment

(in percentage)

	2000	2001	2002
Total	100	100	100
No trained	86.8	85.2	84.2
Technical School	4.5	6.9	7.8
Vocational Technical College	4.8	4.0	3.8
University	3.9	3.9	4.2

The number of employers without training is very high. It shares about 85% of employment. Most of them are working in traditional industry such as agriculture, handicraft, small enterprises and vendors. The number of workers who have training certificate is low.

The problem here is not only to improve job service, but also to strengthen training capacity of vocational schools and reform education system.

Government has taken the first step in wage reform policy. Minimum monthly wage rate (for non skilled workers) increased from VND209000 to

VND245000. In state sector, average monthly salary of state workers increased from VND1068800 (2002) to VND1190900 (2003). However the income of employment in non state sector is low. The income disparity increased from 7.6 times in 1999 to 8.1 times in 2002. The income disparity increased in urban area, but it reduced in rural area despite that income in rural area twice lower than that in urban area.

Average Monthly Income by Quintile

	Average Monthly Income (VND/person/month)						Income Disparity (times)	
	1999			2002			1999	2002
	Average	In which		Average	In which			
		Lowest	Highest		Lowest	Highest		
Country	295000	97000	741600	356800	107700	877100	7.6	8.1
Urban	516700	164000	1215600	625900	185000	1496000	7.4	8.1
Rural	225000	83000	523000		100500	598700	6.3	6.0

Income sources of labors are diversified. Wage contributed about 40% of income in urban area and 22% in rural area. This demonstrated that the waged workers ratio is very low and most labors are self-sufficient employment. Not yet developed labor market and low of labor division has kept productivity from rising.

Income Sources in 2002

(.000 VND)

	Country	Urban	Rural
Total, in which	356800	625900	274900
Wage	116400	274900	68300
Agriculture	82300	27800	98800
Forestry	4500	900	5600
Fishery	14700	14200	14800
Industry	19800	36500	14700
Construction	2000	6600	600
Trade	34400	77000	21500
Service	25000	67100	12200
Others	57700	120800	38400

(3) Migration

In 2003, number of Vietnamese going abroad raised significantly, especially in export of labor. The destination of export Vietnamese workers moved from north-east Asian countries (such South Korea, Japan) to south Asian countries like Malaysia. Export workers in 2003 increase 63 per cent in comparing to 2002. There are more than 75,000 persons have gone abroad to take contracted jobs, from which 40,000 workers came to Malaysia, 27,000 workers were sent to Taiwan.

Increasing export workers is the one of labor policy and poverty alleviation policy. Most workers going abroad are low skilled labors from rural area. However labors who want to going abroad to work have faced number of difficulties. They have no money to pay for training (language, vocational, skills) and health exam, deposit to Guarantee Fund, buy ticket. To promote worker export, commercial banks in Vietnam have provided loans to workers to pay as guarantee fund to Worker Export Service Companies before going abroad. The Vietnam Bank for Social Policy of government also lend cheap credit to the poor workers going abroad.

There are 150 Worker Export Service Companies operating in Vietnam. They are licensed by Ministry of Labor, Invalid and Social Affairs. Worker export service is poor. The information on labor export (country destination, duties and benefit for example) is not available to access, there is not special website or media to delivering these information. The service not transparency; in many cases the workers have to pay huge money for training and health exam. And many persons have been cheated when apply to abroad job; one could not going abroad and may loses thousand USD when paying to illegal labor export service. In 2003, 30 Labor Export Service Companies have been fined and closed due to running illegal service and cheating labors for money.

Most export workers are low skills ones. They take a job as home service, housekeepers, ordinary workers in construction, assembling.

The numbers of skilled going abroad were low. It is estimated that there are about 250 skilled workers going abroad under different service contracts. They are working in the fields as agriculture, construction, health care and programming. Country destination is countries in Africa, Singapore, America ext.

In some cases, breaking contract was problem. It is estimated that the number of Vietnamese workers who break contract and stay illegal in South Korea and Japan can take from 40-60 per cent Vietnamese workers in the countries. There are 20,000 Vietnamese workers in South Korea and 10,000 in Japan. In 2003, Japan and South Korea have approved policy on repatriate illegal workers. This will force thousands illegal workers return home.

The number of foreigners arriving to work in Vietnam is low. In 2003, there are 473260 foreigners arrived Vietnam to work. Most of them are skilled experts working as short time/part time for project implementation. They stay in Vietnam less than 6 months per year.

Increase labor export is promoted in Vietnam. Government tries to create favorable conditions to help workers going abroad by signing agreement on labor export with different countries. High skilled foreigners are encouraged to come to work in Vietnam too. For example, visa is granted to them and their family members.

2. Country data

(all data sources are from the publication of General Statistic Office of Vietnam)

Workers in State Sectors

(persons)

	2002	2003
Total	3750600	3858000
Agriculture and Forestry	217200	218200
Fishery	5700	5700
Mining	118200	129100
Processing	710300	712900
Power (oil, electricity)	79300	81100
Construction	479000	486300
Trade	193700	179600
Hotel	35300	34500
Transport	200400	203100
Finance	65400	66800
Science and technology	33900	34000
Consultancy	45600	47100
Administration	260700	287300
Education	970600	1000600
Health	197000	203600
Sport and culture	37400	39500
Associations	70000	75100
Others	30900	35400

Source: General Statistic Office. 2003

GDP
(VND billion; in 1994 price)

	2002	%	2003	%	2003/2002 (%)
Total	313135	100	335821	100	107.24
Agricultural	68283	21.8	70468	21.0	103.20
Agriculture	57843	18.5	59453	17.7	102.78
Forestry	2568	0.8	2586	0.8	100.70
Fishery	7872	2.5	8429	2.5	107.08
Industry	117082	37.4	129185	38.5	110.34
Mining	19396	6.2	20519	6.1	105.79
Processing	63983	20.4	71312	21.2	111.45
Electricity	7949	2.5	8873	2.6	111.62
Construction	25754	8.2	28481	8.5	110.59
Service	127770	40.8	136168	40.5	106.57
Trade	51246	16.4	54747	16.3	106.83
Hotel	10125	3.2	10767	3.2	106.34
Transport	12252	3.9	12925	3.8	105.49
Finance	6424	2.1	6935	2.1	107.95
Science	1908	0.6	2044	0.6	107.13
Property	13105	4.2	13796	4.1	105.27
Administrative	8777	2.8	9268	2.8	105.59
Education	10507	3.4	11326	3.4	107.79
Health	4442	1.4	4797	1.4	107.99
Culture	1689	0.5	1838	0.5	108.82
Associations	352	0.1	372	0.1	105.68
Community service	6355	2.0	6743	2.0	106.11
Sub contracting	588	0.2	610	0.2	103.74

11. Vietnam

	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003
Real GDP grows(%)	8.1	8.8	9.5	9.3	8.2	5.8	4.8	6.7	6.8	7	7.2
Real GNP grows(%)											
Current balance (million USD)	(984)	-1,185	-2,802	-2,592	-1,839	-1,229	(201)	(1,143)	-1,189	-3,027.80	-4,400
% of GDP	-6.8	-7.6	-13.6	-11.0	-6.9	-4.6	-0.7	-3.6	-3.7	-8.7	-11.9
GDP(billion VND, current price)	136,571	170,258	228,892	272,036	313,623	361,016	399,942	441,646	484,493	536,100	580,600
GDP(billion VND 1994 price)	136,571	170,258	195,567	213,833	231,264	244,596	256,272	273,666	292,400	313,100	380,000
Inward direct investment											
Foreign direct investment(million USD)	2,900	3,766	6,531	8,497	4,649	3,897	1,568	2,012	2,503	2,600	1,439.70
Producer price index											
Consumer price index	105.2	114.4	112.7	104.5	103.6	109.2	100.1	99.4	100.8	100.4	103.0
Exchange rate of currency toward (US\$)	9,500	10,978	11,100	11,500	11,705	13,532	14,014	14,094	15,180	15,330	15,650
Real GDP per person (USD)	206.8	219.1	286.5	323.3	360.4	353.2	372.6	403.4	405.6	438.6	459.2
Real wage growth (urban area)											
In Urban area	7.1	8.5	27.8	21.3	16.2	11.5	31.6	10.1			
In Rural area	4.8	5.5	24.1	17.5	3.6	6.2	13.6	3.4			
Nominal wage (VND per month)											
In Urban area	305,000	359,700	452,800	509,400	587,000	690,000	832,500	910,000	954,300	999,300	
In Rural area	123,000	141,100	172,500	187,900	193,000	216,000	225,000	231,000		274,900	

11. Vietnam

	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003
1.Total population (million persons)	69.5091	70.7717	71.9855	73.1666	74.3460	75.5263	76.5968	77.6855	78.6858	79.7274	80.7827
1.1. In urban areas	13.9610	14.4250	14.9380	15.4200	16.8350	17.4650	18.0820	18.8050	19.4810	19.9500	20.5120
2. Total Workforce (million persons)	32.7180	33.6640	34.5900	35.7920	36.9940	38.1940	39.3940	40.6940	40.8000	41.0000	42.2000
2.1. Number of employed								36.7018	37.6764	38.7154	40.0000
By industry											
Agriculture	23.8970	23.5650	24.1220	24.7750	25.4410	26.0750	26.6970	25.0449	25.3049	25.5725	25.6200
Industry and construction	4.3700	4.3260	3.4350	4.4880	4.6320	4.8580	5.0900	5.3390	5.8000	5.9400	5.2000
Service	4.4510	5.7730	7.0330	6.5290	6.9210	7.2610	7.6070	10.3100	9.6950	9.4880	11.3800
3. Unemployment											
3.1. In Urban area(%)	4.7000	4.9000	5.2000	5.8800	6.0100	6.8500	7.4000	6.4400	6.2800	6.0000	6.1000
(Million Persons)	0.4150	0.4950	0.5440	0.6480	0.6940	0.8300	0.9400	1.0080	0.9730	0.9260	1.0110
3.2. In Rural Area	4.7794	5.4671	5.9823	6.9097	6.8335	7.5273	7.0774	7.1558	6.3260	6.1370	6.1490

(Rural labors that worked less than 8 hours per working day are considered as underemployment.)

3.3. Total (Million persons)	5.1940	5.9620	6.5270	7.5580	7.5280	8.3580	8.0170	8.1640	7.2990	7.0630	7.1600
Percentage of total workforce (%)	15.9000	17.7000	18.9000	21.1000	20.3000	21.9000	20.4000	20.1000	17.9000	17.2000	17.0000

11 Vietnam

	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003
Emigration flow of nationals											
Number of nationals residing abroad			2,645,570	2,660,536	2,681,806	2,697,446	2,723,006	2,759,006	2,801,106	2,840,140	2,903,170
-through the international projects and international labor cooperation				12,666	18,470	12,240	21,810	31,500	37,000	46,000	75,000
-by individuals				2,300	2,800	3,400	3,750	4,500	5,100	5,700	6,500

Immigration flow of foreigners			1,351,000		1,715,600	1,520,000	1,780,000	2,140,000	2,330,791	2,630,000	2,365,980
<i>By purpose</i>											
Tourism			611,000		691,400	599,000	838,000	1,139,000	1,319,068	1,462,000	1,072,181
Business			308,000		403,200	292,000	266,000	420,000	439,686	446,000	383,132
Visiting			433,000		371,800	301,000	337,000	400,000	478,580	425,400	318,658
Others			(1,000)		249,200	328,000	339,000	181,000	93,457	296,600	592,009
<i>By countries/territory</i>											
China PR			63,000		405,400	421,000	484,000	492,000	675,759	723,400	574,238
Hong Kong									4,557	4,000	
Taiwan			222,000		154,600	139,000	171,000	210,000	199,638	211,000	183,650
Japan			119,500		122,100	95,000	111,000	143,000	205,113	279,800	187,850
Korea S									74,968	105,200	111,460
Cambodia									71,234	73,200	74,290
Laos									27,278	35,800	71,969
Indonesia									10,997	11,400	13,600
Malaysia									26,230	45,800	40,800
Philippines									19,159	25,300	18,500
Singapore									31,908	35,100	31,000
Thailand			23,000		18,300	17,000	19,000	21,000	31,647	41,000	35,000

Australia									84,207	96,600	81,000
New Zealand									6,903	8,300	7,500
America			58,000		40,400	40,000	63,000	96,000	230,405	259,800	195,500
Canada									35,962	43,600	35,200
France			118,000		67,000	68,000	69,000	88,000	99,719	111,500	78,900
The UK			53,000		44,700	40,000	41,000	54,000	64,718	69,600	57,000
Germany									39,122	46,400	41,000
Italia									11,588	12,200	8,150
Oversees Vietnamese					272,200	232,200	281,700	276,500	310,000	375,000	390,000
Others									69,679	16,000	129,373
By Means											
Airways			1,206,800		1,033,700	873,700	1,022,100	1,113,100	1,294,500	1,540,300	1,420,000
Waterways			21,700		131,500	157,200	187,900	256,100	284,700	309,100	321,000
Road & Railways			122,500		550,400	489,100	570,000	770,800	751,591	780,600	624,980
Number of foreigners residing in your own country									30,000	31,000	30,500
Number of foreign workers in your own country									3,000	3,200	34,500
Number of permanent residents											
Number of illegal foreign workers											
Number of arrests of illegal immigrant											
Number of returnees											
Number of nationals having been repatriated											
Remittance from nationals residing abroad											