



VIETNAM

Capital: Hanoi

Population (2008 est.):

Vietnam: 86.96 million

Virginia: 7.7 million

Government type: Communist State

Chief of State:

President Nguyen Minh Triet

Head of government:

Prime Minister Nguyen Tan Dung

Languages (Official): Vietnamese

Land Size: 127,244 square miles

(Slightly larger than New Mexico)

(CIA)

Currency: (www.oanda.com)

Dong (VND)

1US\$ = 17.878 VND (June 2009)



(Map of Vietnam. CIA)

DID YOU KNOW?

- U.S. exports to Vietnam were \$2.79 billion in 2008, a 47% increase over 2007.
- The United States and Vietnam normalized trade relations in 1995, and reopened embassies in each other's countries in that same year.
- A bilateral trade agreement (BTA) between the United States and Vietnam was approved by the U.S. Congress and signed by former President Bush in 2001. Since the signing of the BTA, the United States has become Vietnam's largest trading partner. (U.S. Library of Congress)
- The United States is Vietnam's top destination for exports. Vietnam's top source for imports is China, then Singapore, Taiwan, and Japan.
- Vietnam membership approval to the WTO in January 2007 should accelerate the economic reform process already underway, as well as generate new export opportunities for American businesses.
- Vietnam is one of the world's largest exporters of rice and producers of coffee.
- Vietnam's population is relatively young, and an estimated 1.5 million people enter the labor force each year. (CIA)



VIETNAM

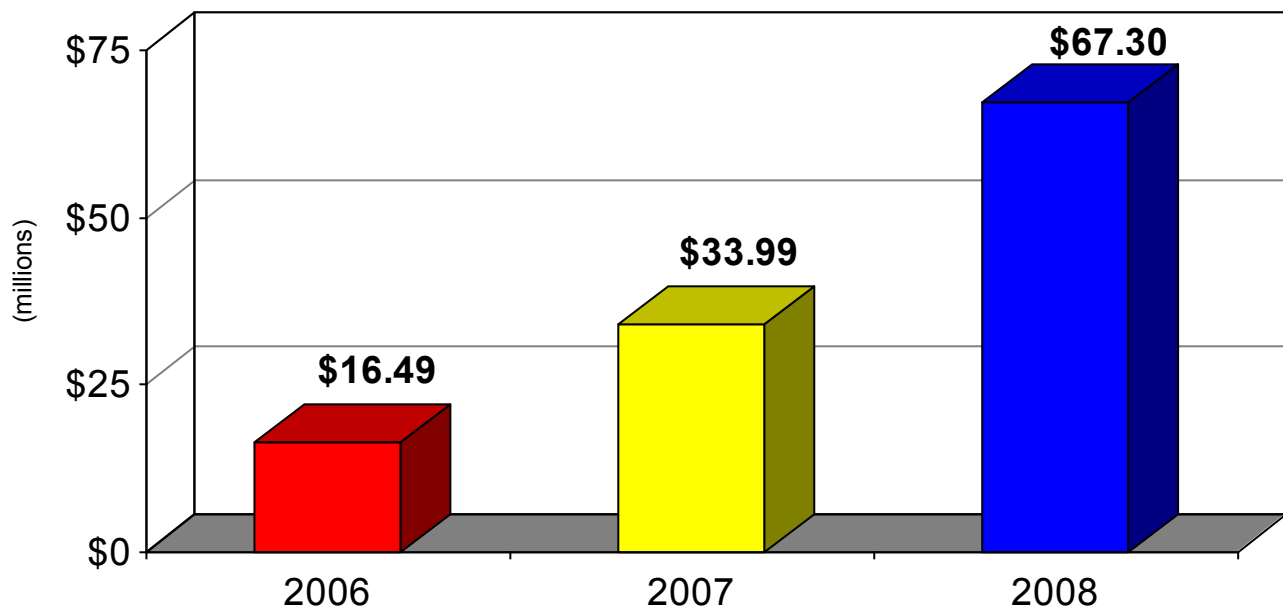
ECONOMIC OUTLOOK

Like many of its Asian neighbors, Vietnam's economy is heavily export-oriented, with exports accounting for close to 70% of annual economic output (GDP). Consequently, the current global recession and fall in demand has had a negative impact on Vietnam's economic growth. The fact that the country is diversifying its economy has partially offset the collapse in demand for its exports, but commodity exports, specifically rice, seafood (shrimp), coffee, and petroleum, still play a central role in Vietnam's economy. The Government of Vietnam is encouraging foreign investment in high-tech industries and education initiatives, but 70% of the population still live in rural villages, and the agriculture sector will remain important to economic development in Vietnam for the foreseeable future. In a sign of the direction Vietnam's economy is taking, Intel is finishing construction of a \$1 billion chip plant in Ho Chi Minh city that is set to begin operations later this year.

Market reforms and an economic liberalization that began in the 1980s have helped Vietnam sustain a period of economic expansion that has only recently shown signs of slowing down. Vietnam has averaged economic growth rates of 7.5% over the last decade, but the International Monetary Fund predicts growth of just over 3% for 2009. Similar to its northern neighbor China, rapid growth has significantly reduced poverty in Vietnam, and increased economic liberalization will allow many low income Vietnamese to take advantage of new opportunities presented by greater participation in the global economy.

(Sources: The Economist, International Monetary Fund)

VIRGINIA EXPORTS TO VIETNAM



(Source for Graph: World Trade Atlas)



VIETNAM

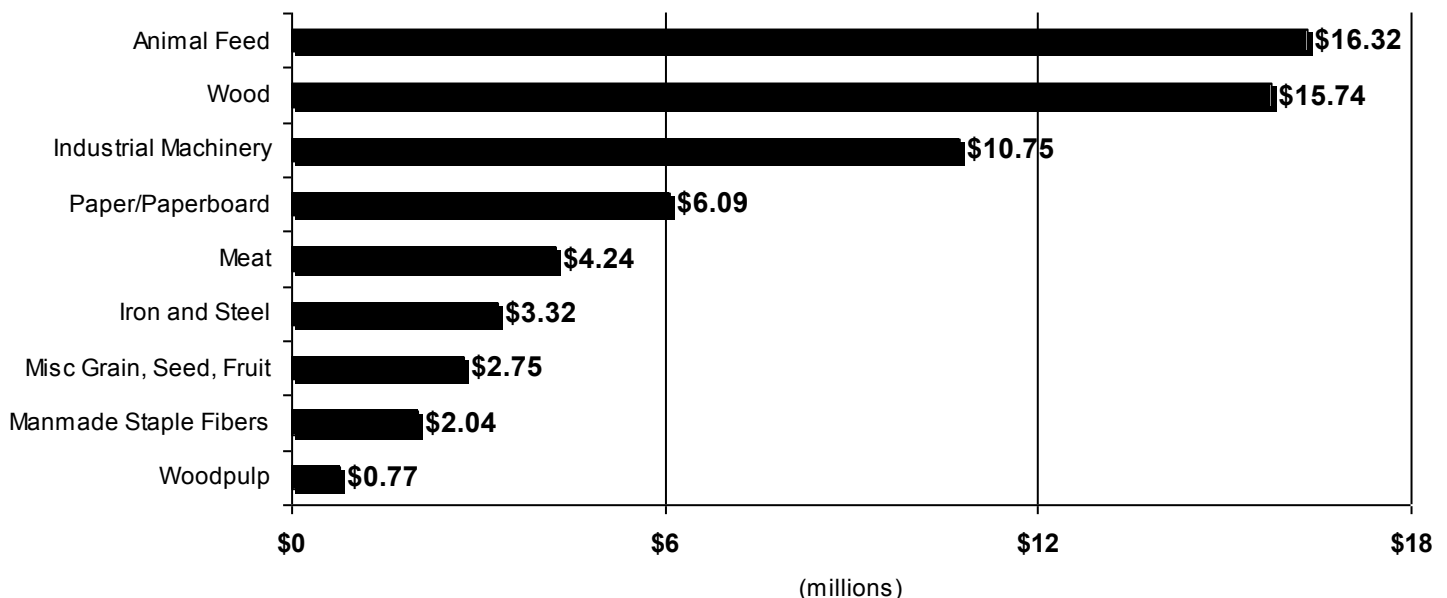
VIRGINIA EXPORTS TO VIETNAM

U.S exports to Vietnam are dominated by industrial machinery, like computers and computer components, office machine parts, gas turbines, and other heavy machinery that reflect Vietnam's industrial transformation. U.S. exports to Vietnam via Virginia have a similar profile, except that the top Virginia exports are commodities, like lumber and animal feed derived from soybean residue.

The top industrial machinery export to Vietnam via Virginia in 2008 was lifting equipment, like pulleys, cranes, forklifts, elevators, bulldozers, and mining; followed by industrial cleaning machines. Meat exports consisted of poultry and pork. Iron and steel products were primarily flat-rolled products of iron and nonalloy steel, cold-rolled and in coils. Miscellaneous grains, seed, and fruit was the fastest growing export to Vietnam via Virginia in 2008, with an annual increase of over 1000%. This export group was almost exclusively soybeans. Exports of manmade staple fibers were led by artificial filament tow, while woodpulp exports were chemical woodpulp, soda or sulfate.

According to the 2009 U.S. Department of Commerce Country Commercial Guide for Vietnam, aviation, telecommunications, information technology, oil and gas exploration and power generation will likely continue to offer the most promising opportunities for U.S. companies over the next few years as infrastructure needs continue to expand with Vietnam's pursuit of rapid economic development.

VIRGINIA'S TOP EXPORTS TO VIETNAM - 2008



(Source for Text and Graph: World Trade Atlas)



VEDP TRADE EVENTS

The VEDP participates in many international trade events and hosts a number of market visits. All Virginia companies are welcome to attend. For a complete listing of the VEDP's international trade events, please visit the "Events" tab on our website: www.ExportVirginia.org

VEDP CONTACT INFORMATION

Virginia Economic Development Partnership

Division of International Trade

P.O. Box 798

901 East Byrd Street

Richmond, Virginia 23218-0798

Tel: (804) 545-5764, Fax: (804) 545-5751

E-mail: clientservices@yesvirginia.org

Website: www.exportvirginia.org

ADDITIONAL RESOURCES

- Embassy of Vietnam in the United States: <http://www.vietnambassya-usa.org>
- U.S.-Vietnam Trade Council: <http://www.usvtc.org/>
- Vietnam News Agency: <http://www.vnagency.com.vn>

WORKS CITED

Economist.com. "Vietnam's Remarkable Recovery." April 24, 2008.

<<http://www.economist.com/specialreports/>>

FX Currency Converter. <<http://www.oanda.com/convert/classic>>

Global Trade Information Services. World Trade Atlas. U.S. State Export Edition. Annual 2009.

<<http://www.gtis.com/state/>>

International Monetary Fund. Vietnam and the IMF. June 9, 2009.

<<http://www.imf.org/external/country/vnm/index.htm>>

Thanh Nien News. "Intel Says Vietnam Plant on Track." March 2, 2009.

<<http://www.thanhniennews.com/business/?catid=2&newsid=46604>>

United States Central Intelligence Agency (CIA). World FactBook: Vietnam. 2008.

<<https://www.cia.gov/library/publications/the-world-factbook/geos/vm.html>>

United States Department of Commerce. Country Commercial Guide: Vietnam. 2009

<http://www.buyusainfo.net/docs/x_604461.pdf>

United States Library of Congress. Congressional Research Service. "The Vietnam-U.S.

Normalization Process." June 17, 2005. <<http://www.fas.org/sqp/crs/row/IB98033.pdf>>

Last Updated: June 2009

**Information provided by VEDP Fast Facts is intended as advice and guidance only. The information is in no way exhaustive and the VEDP is not a licensed broker, banker, shipper or customs agency. VEDP shall not be liable for any damages or costs of any type arising out of, or in any way connected with the use of, these Fast Facts.*