

# VIETNAM'S EXPORT BUSINESS IN 2000-2001

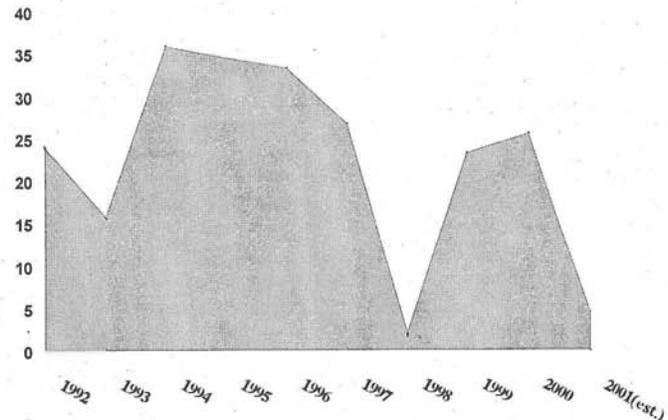
by Dr. ĐOÀN THỊ HỒNG VÂN

In the first year of the 21<sup>st</sup> century, according to an UN report on the world economic development, the growth rate of international trade decreased from 13% in 2000 to 1% in 2001 – the worst decrease ever seen in the past two decades. The main reason was the growth rate of 1.3% of the world economy in 2001 – the lowest rate for the past eight years- when the three strongest economies experienced recession. And the Sep. 11 catastrophe made things go from bad to worse.

In such a situation, how about the Vietnam's export? According to the Ministry of Trade, the export value in 2001 was estimated at US\$15.1 billion; some US\$6.75 billion was from foreign -invested companies (including the oil business) and US\$8.35 billion from the local ones:

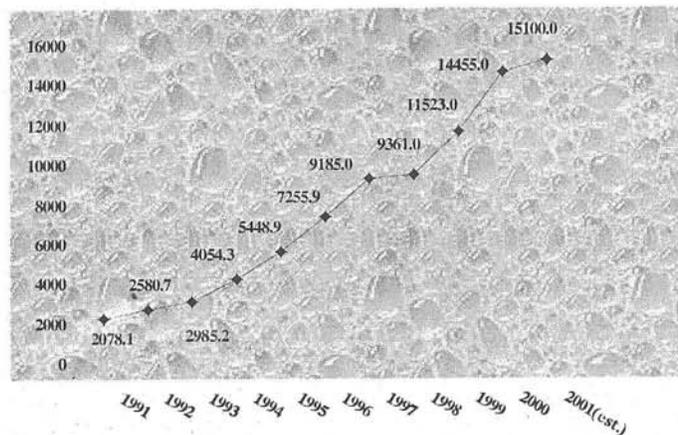
Thus, the Vietnam's export value has increased steadily since 1991.

Figure 2: Growth Rate of Export Value



Source: *Thời báo Kinh tế Việt Nam*, *Kinh tế Việt Nam và Thế giới 2000-2001*, p.55; and Ministry of Trade.

Figure 1: Vietnam's Export Value since 1991 (US\$ mil.)



Source: *Thời báo Kinh tế Việt Nam*, *Kinh tế Việt Nam và Thế giới 2000-2001*, p.55. *Thời báo Kinh tế Việt Nam*, No 2, Jan. 3, 2002.

Regarding its growth rate, the export value increased by 4.5% compared with 2000. Thus, the 2001 growth rate equaled one-fifth of the 2000 growth rate. In the last 10 years, the 2001 growth rate ranked second, only higher than the 1998 one (1.9%).

Although the 2001 growth rate was low as compared with previous years, it's still considered as encouraging when the world economy fell into the doldrums and the Vietnam's export market contracted, especially after September 11. To gain an export value of US\$15.1 billion, Viet-

nam has had to work hard for years. This reflects itself in the steady increase in its exports.(see table next page)

The Table 1 shows that in 2001, the quantity of all staple exports was higher compared with 2000. Export of such items as aquatic product, vegetable, coffee, tea, black pepper, coal and crude oil reached record levels. Particularly, Vietnam became the world's biggest exporter of black pepper when it sold 56,000 tonnes on the world market last year.

Regarding export market, Vietnam tried its best to enter new markets. According to the Ministry of Trade, Vietnam entered 18 new markets last year increasing the number of its trading partners to 176. Its trade with Europe, America and Africa rose while that with Asia and Oceania fell.

Vietnam's ten biggest trading partners in 2001, in order of importance, were Japan, China, Australia, Singapore, the U.S., Taiwan, Germany, the U.K., France and South Korea.

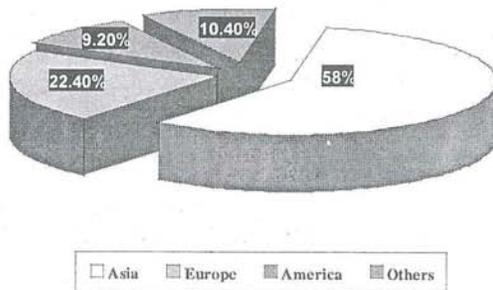
With great and incessant efforts, Vietnam kept increasing its export in 2001 when the world economy experienced recession. Although prices

**Table 1: Staple Exports from Vietnam**

Item	Unit	2000		2001 (est.)		2001 compared with 2000	
		Quantity	Value (US\$ mil.)	Quantity	Value (US\$ mil.)	(%)	Quantity
Crude oil	1,000 tonne	15,423	3,502	17,000	3,175	100.2	90.7
Cloth and garment	US\$ mil.		1,892		2,000		105.7
Aquatic product	US\$ mil.		1,478		1,800		121.8
Footwear	US\$ mil.		1,464		1,520		103.8
Electronic goods and computer component	US\$ mil.		782		605		77.4
Rice	1,000 tonne	3,476	667	3,560	588	102.4	88.1
Coffee	1,000 tonne	733	501	911	385	124.3	76.8
Vegetable	US\$ mil.		213		305		143.2
Handicraft	US\$ mil.		237		237		100.0
Rubber	1,000 tonne	273	166	300	164	109.9	98.9
Cashew	1,000 tonne	34.2	167	41	144	119.9	85.9
Coal	1,000 tonne	3,251	94	4,000	108	123.0	115.1
Pepper	1,000 tonne	37	146	56	90	152.2	61.4
Tea	1,000 tonne	55	69	58	66	104.7	95.2
Peanut	1,000 tonne	76	41	80	39	105.7	96.1
Total	1,000 tonne		14,445		15,100		104.5

Source: Ministry of Trade

**Figure 3: Vietnam's Export Value by Continent**



of many exports fell, the export value rose by 4.5% (vegetable by 43.2%, aquatic product by 21.8%, coal 15.1%, clothing 5.7% and footwear 3.8%).

It's the year 2002 now but difficulties from the old year couldn't be solved overnight. According to predictions by international financial organizations, the world economy will only recover by the end of this year and complete its recovery in 2003. In such a situation, Vietnamese exporters face with no easy task. The National Assembly in its 10<sup>th</sup> session has set forth a target for the export business: an increase that varies from 10% to 13%. In the foreign trade plan worked out by the Ministry of Trade, the export value is expected to amount to US\$17.9 billion increasing by 11% compared with 2000. Detailed targets for exports are as follows: farm products

10%, light industrial goods and handicrafts 14.4% and services 18%

compared with 2001. Regarding the export market, the Ministry of Trade predicts the Asia-Pacific region will account for some 60% of the export value and namely, Japan US\$2.8 billion, China 1.95 billion, Singapore 1.15 billion and Australia 1.3 billion. The Western market will play an important role and account for 35% of the export value in which the European one provides US\$3.4 billion and American 1.8 billion.

The year 2002 brings both challenges and opportunities and they require very great efforts from exporters. ■

