

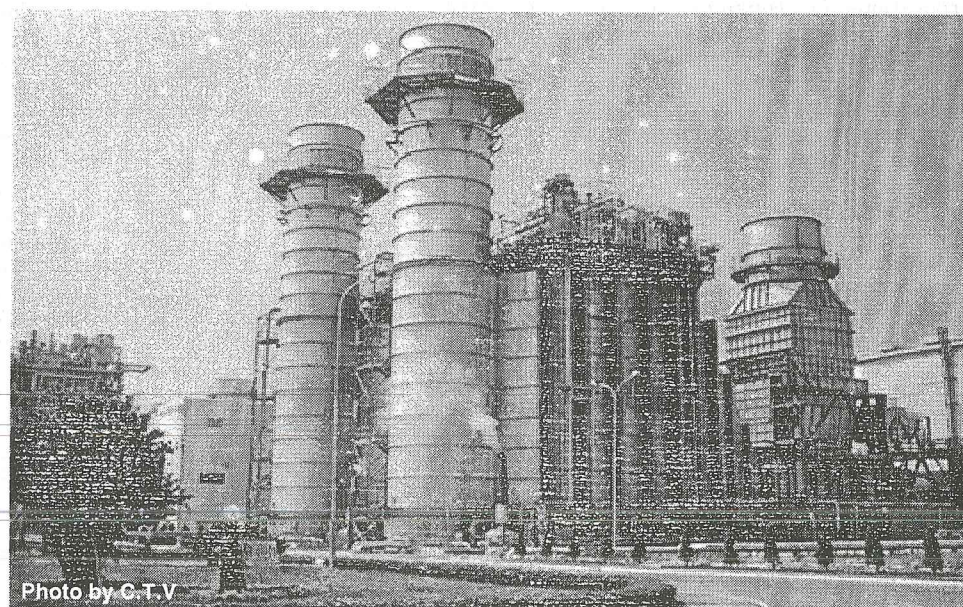
# Analysis and Evaluation of Vietnam Economic Growth and Restructuring from 1991 to 2004 by GDP Indicators

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In its seventh congress (1991), the Vietnam Communist Party affirmed the objectives and viewpoints of national industrialization. These objectives and viewpoints have been consistently performed and increasingly improved in the Party's documents of the eighth congress (1996) and tenth one (2001). Over the past years, Vietnam economy has recorded achievements and shown a lot of restructuring efforts in the direction of industrialization and modernization with the aim of fast and sustainable growth.

This article refers to only analysis of Vietnam's economic growth and restructuring by GDP indicators from 1991 until now.

Vietnam's annual GDP has been reached as indicated in the following table (based on 1994 price and



divided by economic sectors).

## 1. Economic growth:

Over the last 14 years, Vietnam's GDP has always

achieved a positive growth with an average of 7.6% per year, a rather high figure compared to other countries in the region and the world.

Each period and each sector is analyzed as follows:

- In the 1991-1995 period: GDP rose fast with an average increase of 8.18%

**Table 1: Vietnam's GDP by economic sectors from 1991 to 2004**

Year	GDP		ECONOMIC SECTOR					
			Agriculture-forestry-fishery		Manufacturing-Construction		Trading-Service	
	Growth (VND bil.)	(%)	Growth (VND bil.)	(%)	Growth (VND bil.)	(%)	Growth (VND bil.)	(%)
1991	139,634	5.81	42,917	2.18	35,783	7.71	60,934	7.38
1992	151,782	8.70	45,869	6.88	40,359	12.79	65,554	7.58
1993	164,043	8.08	47,373	3.28	45,454	12.62	71,216	8.64
1994	178,543	8.83	48,968	3.37	51,540	13.39	78,026	9.56
1995	195,567	9.54	51,319	4.80	58,550	13.60	85,698	9.83
1996	213,833	9.34	53,577	4.40	67,016	14.46	93,240	8.80
1997	231,264	8.15	55,895	4.33	75,474	12.62	99,895	7.14
1998	244,596	5.76	57,866	3.53	81,764	8.33	104,966	5.08
1999	256,272	4.77	60,895	5.23	88,047	7.86	107,330	2.25
2000	273,666	6.79	63,717	4.63	96,913	10.07	113,036	5.32
2001	292,535	6.89	65,618	2.98	106,986	10.39	119,931	6.10
2002	313,135	7.04	68,283	4.06	117,082	9.44	127,770	6.54
2003	335,821	7.24	70,468	3.20	129,185	10.34	136,168	6.57
2004*	362,000	7.80	74,000	5.01	142,000	9.92	146,000	7.22

Source: General Statistics Office

\*: Estimated



annually. In which the sector of agriculture-forestry-fishery soared 4.57%; manufacturing and construction up 13.10%; and trading-service up 8.90%.

- In the 1996-2000 period: Vietnam's GDP experienced a slowdown due to the Asian financial meltdown in 1997 but its growth still reached 6.95% per year. In this period, Vietnam was one of three countries having high GDP growth. Its agriculture-forestry-fishery swelled 4.12%; manufacturing-construction up 10.6%; and trading-service up 5.69%.

- In the 2001-2004 period: GDP showed recovery but did not yet register the growth as in the 1991-1995 period. In this period, GDP rose 7.24% per annum, including agriculture-

and construction increased steadily and rapidly from 25.63% in 1991 to 39.23% in 2004. The percentage of this sector, however, did not attain 40% of GDP, that is, it remains low as compared to industrialization requirements. The proportion of trading-service slowly went down but was kept at over 40% of GDP.

The trend of economic restructuring in GDP is indicated in the following table:

### 3. Contributions of sectors in GDP growth

GDP of all the three sectors showed a rise but the sector of manufacturing and construction topped the list and at the bottom was agriculture-forestry-fishery. The share

of manufacturing and construction in GDP was increasing, and that of agriculture-forestry-fishery falling.

The rate of contribution to GDP growth of economic sectors also had the same trend. The contribution of agriculture-forestry-fishery continued dropping and stood at a low rate while that of manufacturing and construction posted a high rate. The following table will visualize this trend.

According to the General Statistics Office, Vietnam's GDP rose 7.2% in the first quarter of 2005 year-on-year and registered VND164,200 billion, accounting for 45.36% of GDP in the whole year of 2004. The GDP share of manufacturing and con-

struction posted 43.03%, trading-service 41.28% and agriculture - forestry - fishery 15.69%. As compared to the same period last year, the sector of manufacturing and construction showed the highest growth (8.5%) but this growth is still lower than the rise in the first quarter of 2004 (9.9%); and the trading-service sector soared 7%, higher than that in the first quarter of 2004 (6.6%).

According to the plan set for 2005, the GDP growth is 8.5%. As a result, the GDP growth must reach 8.94% in the next three quarters. Based on the trend of GDP growth in recent years, this figure will be achievable. ■

**Table 2: Shares of economic sectors in GDP (%)**

Period	Agriculture-forestry-fishery	Manufacturing-Construction	Trading-Service
1991-1995	28.50	27.93	43.57
1996-2000	23.94	33.55	42.51
2001-2004	21.36	37.99	40.65

forestry-fishery up 3.18%; manufacturing-construction up 10.02%; and trading-service up 6.61%. GDP rose fast over years, these are positive signs to the economy. It is expected the country's GDP will keep up with and even exceed the growth of 8% in the years from 1992-1997.

## 2. Economic restructuring:

The trend of economic restructuring in the past years has met requirements and targets of the national industrialization and modernization. The proportion of agriculture-forestry-fishery in GDP showed a continuous decline over years from 30.73% in 1991 down to 20.44% in 2004. However, this proportion still doubled that of industrialized countries. On the contrary, the share of manufacturing

**Table 3: Share of economic sectors in GDP growth**

Sector	1991-1995	1996-2000	2001-2004
Agriculture-Forestry-Fishery	1.23	1.10	0.84
Manufacturing-Construction	3.33	3.42	3.70
Trading-Service	3.62	2.42	2.70
GDP growth	8.18	6.95	7.24

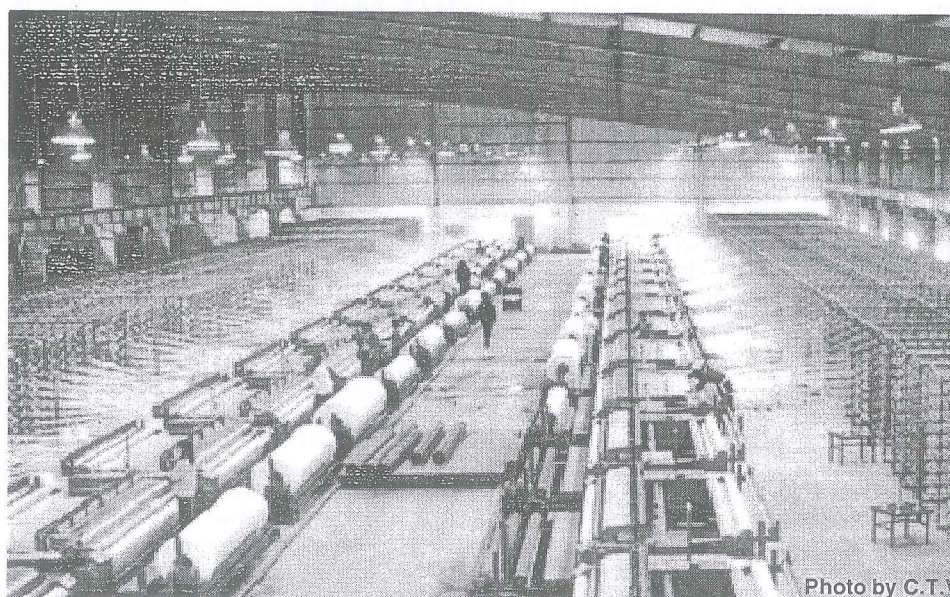


Photo by C.T.V