

# COUNTRY VIETNAM



**COUNTRY:** THE SOCIALIST REPUBLIC OF VIETNAM, “VIETNAM”

**CAPITAL:** HANOI

**LAND AREA:** 331,051 SQ. KM

**POPULATION:** 90 MILLION (2012)

**FORM OF STATE:** ONE PARTY STATE

**NATIONAL LEGISLATURE:** UNICAMERAL WITH 500 MEMBERS

THE NATIONAL ASSEMBLY

**CURRENCY:** VIETNAMESE DONG

**GDP:** US\$ 146.8 BILLION

**REAL GDP GROWTH:** 5.2% (2012)

**GDP PER CAPITA:** NOMINAL - US\$ 1,670/-; PPP - US\$ 3,585/-

**ORIGIN OF GDP:** 1 - AGRICULTURE

2 - INDUSTRY

3 - EXPORT

**FOREIGN RESERVES:** US\$ 24.00 BILLION

**COUNTRY RATING:** BB- STABLE OUTLOOK (s&p)

## POLITICAL & ECONOMIC OUTLOOK

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The Communist Party of Vietnam (CPV) will maintain a firm grip on power despite factional splits over economic policy. Although public support for the government has waned, there is no prospect of major internal instability.

Economic volatility in 2011-12 reduced the influence of the prime minister, Nguyen Tan Dung, whose strong pro-growth bias has lost ground to the emphasis on macroeconomic stability championed by his rivals.

Vietnam will continue to make strides in strengthening its ties with the West, despite intermittent tensions over human rights issues. Relations with China remain strained over territorial claims in the South China sea.

The subdued global economy will continue to drag on Vietnamese GDP growth in 2013. In 2013/17 a more favourable external climate may lead to faster real GDP growth, at 6.1% a year on average.

The average rate of inflation slowed to 9.1% in 2012 and is expected to moderate further in 2013 - 14, to 6.8% a year. Prices may rise rapidly in the following years (2015 - 17).

## OPPORTUNITIES FOR ITALIAN COMPANIES

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There are opportunities for Italian companies such as:

- Equipment and machinery related to ready made garments;
- Compressed natural gas equipment;
- Machinery in general (agricultural machines, etc);
- As well as usual traditional Italian products: men fashion, food and agricultural products.

Corporate taxes are high for the area and may reach as much as 35%. Legal system is based on the French Legal system. Financial contracts may specify “reference law” as is the case in most banking syndicated loans.

Usually British or American Law.

## PRINCIPAL BANKS WE WORK WITH/PARTNER BANK

- 1 - VIETCOM BANK, HANOI
- 2 - BIDV, HANOI
- 3 - ACB, HO CHI MINH
- 4 - EXIM BANK, HO CHI MINH

## PUBLIC HOLIDAYS (2014)

01ST January, 2014	New Year's Day
30TH January, 2014	Tet Holidays (Vietnamese New Year) one week
09TH April, 2014	Go To Hong Vuong Day
30TH April, 2014	Liberation / Reunification Day
02ND September, 2014	Independence Day

## USEFUL CONTACTS IN THE COUNTRY

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### LOCAL LEGAL FIRMS

Details provided upon request

### ITALIAN EMBASSY

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