

Asia – Pacific Trade Briefs: Viet Nam

- In 2012 Viet Nam’s exports grew by over 18% compared with just 2% for the Asia-Pacific region on average. This followed even stronger export growth of 26% in 2010 and 34% in 2011. As a result the country has seen its trade balance move from a deficit of 13% of GDP in 2009 to a surplus of 0.6% of GDP in 2012 [Figures 1 and 2].
- Viet Nam performed relatively well in attracting FDI. The country has received FDI inflows of over \$7 billion annually since 2009. While many countries have seen FDI fluctuate in recent years, inflows into Viet Nam have been relatively stable. In 2012 the share of inward FDI stock in GDP was higher than the average for the Asia-Pacific region [Figures 1 and 3].
- When measured in terms of import penetration, the economy is more open than others in the region. However, MFN applied tariffs are slightly higher than the regional average and trade restrictions in the services sector remain high, as measured by the World Bank’s Services Trade Restrictiveness Index [Figures 1 and 4].
- In general, Viet Nam’s trade costs are lower than average for countries in the region. Trade costs are particularly low when trading with countries in South-East Asia as well as East and North-East Asia due to their geographical proximity [Figure 5].
- Viet Nam has 8 preferential trade agreements (PTAs). Over 45% of total exports go to PTA partners which is higher than the average figure of 36% for countries in the region [Figure 1].

Figure 1. Trade and Investment Performance Indicators (2012)

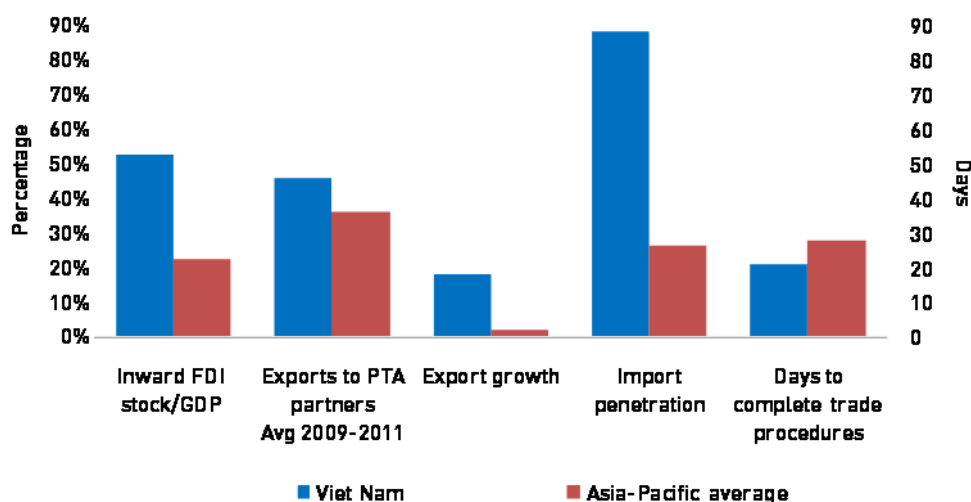


Figure 2. Merchandise Trade

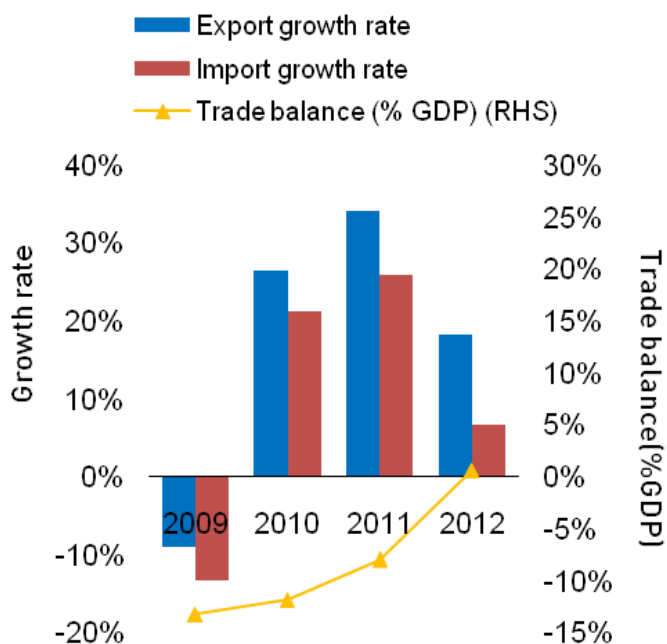


Figure 3. FDI Flows

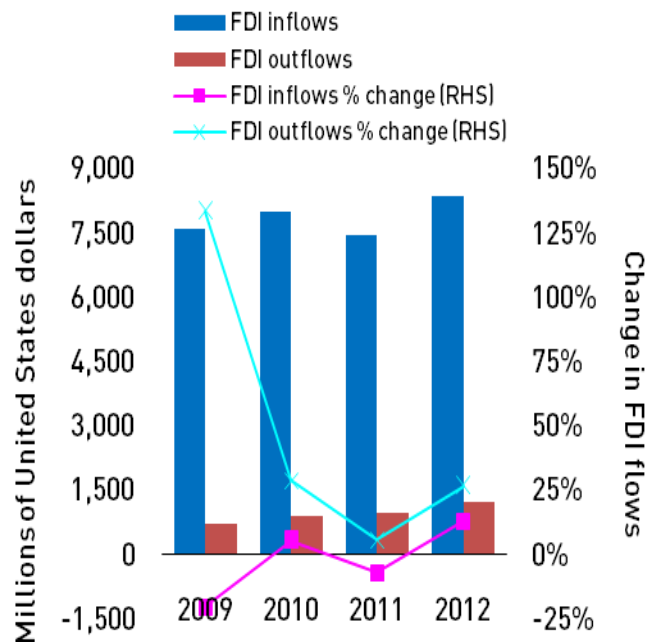


Figure 4. Trade Barriers

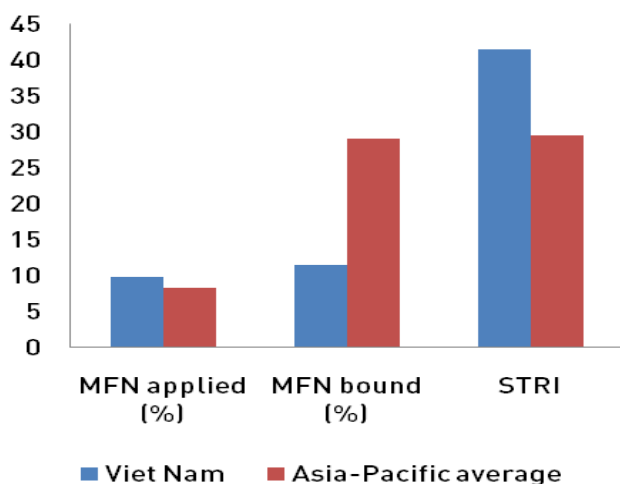


Figure 5. Trade Costs (excl. tariffs) with Asia-Pacific Subregions

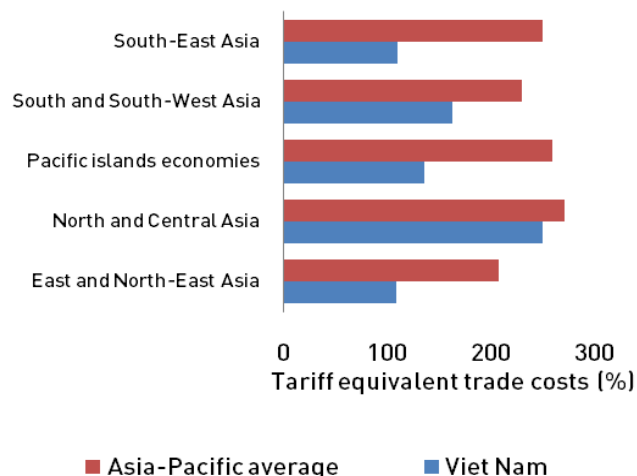
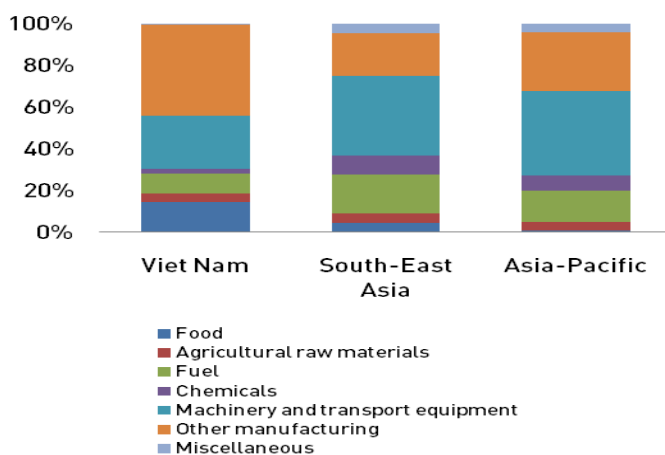


Figure 6. Export Composition by Category (2010-2012)



Notes

FDI: foreign direct investment
 PTA: preferential trade agreement
 MFN: most-favoured-nation
 STRI: Services Trade Restrictiveness Index <http://iresearch.worldbank.org/servicestrade/>
 Definitions:
 Import penetration: share of imports in domestic demand
 PTA coverage: share of exports to PTA partners in total exports. Average over 2009-11
 Trade costs: all costs involved in trading goods internationally relative to those involved in trading goods domestically. Average over 2006-11
 MFN applied: tariffs applied on imports among WTO members.
 MFN Bound: maximum MFN tariff levels agreed to as part of WTO obligations.

Source: Asia-Pacific Trade and Investment Report (APTIR) 2013 unless otherwise specified.
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