
Macroeconomic indicators - Vietnam GDP may exceed target

Sunday, 28 Feb, 2010

Vietnam News quoted Mr Vo Hong Phuc minister of planning and investment of Vietnam as saying that Vietnam would achieve a GDP growth rate of more than 6.5% in 2010, which is higher than the set target.

Mr Phuc said that the economic slowdown in Viet Nam has bottomed out in the first quarter of last year, and would not return if policies to stabilize the macro economy are implemented effectively.

Since January 2010, the country's economy has shown clear signs of recovery, Mr Phuc said, adding that the country's industrial production value in January was 28% higher than the same period last year, while corresponding total retail sales increased by 23% and exports went up by 28%.

In addition, the Asian Development Bank's recent report has also forecast economic growth for Viet Nam this year at 6.5%, up from 5% in 2009, driven by stronger investment and stimulus policies.

According to the report, all ten countries in the ASEAN grouping will enjoy positive GDP growth in 2010, with Viet Nam continuing to record the highest growth rate in the region. The quick adoption of economic restructuring during the crisis by local enterprises has helped them overcome the crisis and they would develop strongly this year.

Mr Phuc said that despite the economic difficulties, about 76,000 new enterprises were established last year, generating 1.5 million jobs. Viet Nam had also successfully kept the inflation rate to below 7% last year, and ensured implementation of social welfare policies.

Mr Pham Chi Lan, an economist, said that the crisis has helped local enterprises figure out their shortcomings and find measures to cope with the new situation. He added that "The country's economy will not develop sustainably if we just develop industries that based on low cost of labor and export raw natural resources."

Mr Nguyen Sinh Hung permanent deputy prime minister has urged the Ministry of Industry & Trade to strengthen the promotion of Vietnamese goods, noting domestic demand accounts for between 15% and 18% of the GDP. He also asked the State Bank of Viet Nam to keep an eye on the monetary market so that it can adopt suitable policies to stabilize the country's macro economy, control inflation, boost export and ensure liquidity in the banking system.

(Sourced from Vietnam News)

For more news visit at www.steelguru.com