

# Vietnam - Country Profile

## Background Information on Vietnam

**Demographics and Geographic Setting** Socialist Republic of Vietnam is the eastern most country on the Indochina Peninsula in Southeast Asia. It is bordered by China to the north, Laos to the northwest, and Cambodia to the southwest.

On the country's east coast lies the South China Sea. With a population of over 85 million, Vietnam is the 13th most populous country in the world.

## Mining and Resources

Vietnam has a wide variety of important mineral resources. The principal reserves, located mainly in the north, were; antimony, bauxite, carbonate rocks, chrome, clays, anthracite coal, copper, natural gas, gemstones, gold, graphite, iron ore, lead, manganese, mica, nickel, crude petroleum, phosphate rock (apatite), pyrophyllite, rare earths, silica sand, tin, titanium, tungsten, zinc, and zirconium. Coal dominates the mining sector, and, along with carbonate rocks, crude petroleum, and phosphate rocks, was produced in large quantity.

The mining sector plays an important role in the Vietnamese economy, and minerals trade also accounted for a large share of the country's overall merchandise trade. In 2005 (the latest year for which data were available), the output of the mining and quarrying sector (which included mineral fuels and nonfuel minerals) accounted for 5.75% of Vietnam's gross domestic product (GDP). The GDP in 1994 constant dollars was estimated to be \$24.87 billion.

In 2006, Vietnam's major mineral commodity exports were crude petroleum (\$8.32 billion) and coal (\$927 million); these commodities accounted for 21.0% and 2.3%, respectively, of total exports (\$39.6 billion). Vietnam's major mineral commodity imports were refined petroleum products (\$5.86 billion), steel (\$2.9 billion), and fertilizers (\$673 million), which accounted for 13.2%, 6.5%, and 1.5%, respectively, of total imports (\$44.4 billion) (General Statistics Office of Vietnam, 2006).

In 2006, Vietnam remained one of the world's leading producers and exporters of anthracite coal. The mining industry comprised state-owned companies, several state-and-foreign mining and mineral-processing company joint ventures, many small-scale local government-owned mining companies, local government-private mining company joint ventures, and local private miners.

## Financial Setting

In 1986, the Sixth Party Congress approved a broad economic reform package that introduced market reforms and set the groundwork for Vietnam's improved investment climate. Substantial progress was achieved from 1986 to 1997 in moving forward from an extremely low level of development and in significantly reducing poverty. The 1997 Asian financial crisis highlighted the problems in the Vietnamese economy and temporarily allowed opponents of reform to slow progress toward a market-oriented economy. GDP growth averaged 6.8% per year from 1997 to 2004 even against the background of the Asian financial crisis and a global recession.

Since 2001, Vietnamese authorities have reaffirmed their commitment to economic liberalization and international integration. They have moved to implement the structural reforms needed to modernize the economy and to produce more competitive, export-driven industries. The economy grew 8.5% in 2007. In an effort to stem high inflation which took off in 2007, early in 2008 Vietnamese authorities began to raise benchmark interest rates and reserve requirements. Hanoi is targeting an economic growth rate of 7.5-8% during the next four years.

Sources: USGS - Vietnam Country Profile 2006; CIA World Fact Book - Vietnam