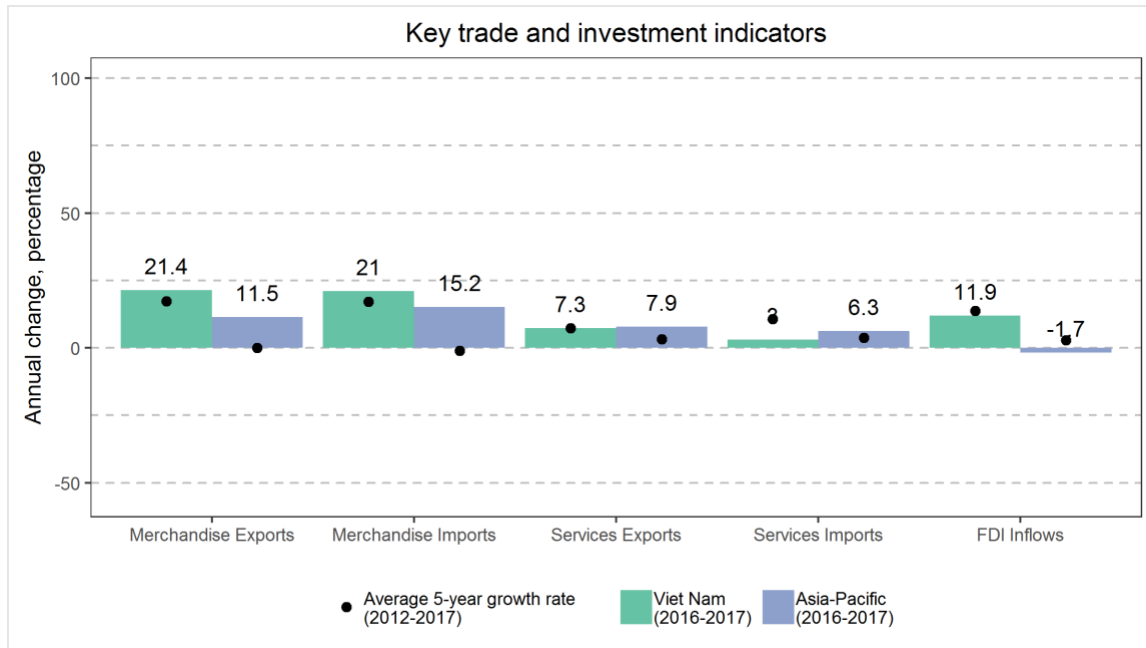




Asia-Pacific Trade Briefs: Viet Nam



Merchandise Trade

Viet Nam has a trade-to-GDP ratio of 203.53%. Merchandise trade accounted for 93.5% of Viet Nam's total trade in 2017. Viet Nam's merchandise exports grew by 17.4% on average during 2012-2017, higher than the Asia-Pacific average of 0% during the same time period. In 2017, Viet Nam's merchandise exports grew by 21.4%, while in the Asia-Pacific region they increased by 11.5% in the same year. Meanwhile, Viet Nam's merchandise imports increased by 17.2% on average during 2012-2017, and recorded an increase of 21% between 2016 and 2017.

Services Trade

In 2017, Viet Nam's commercial services' shares of total exports and imports were 5.7% and 7.4%, respectively. Commercial services exports grew by 7.3% on average during 2012-2017, higher than the Asia-Pacific average of 3.2% during the same time period. In 2017, Viet Nam's commercial services exports grew by 7.3%, while in Asia-Pacific region they increased by 7.9%. Meanwhile, Viet Nam's commercial services imports increased by 10.8% on average during the 2012-2017 period, recording a growth rate of 3% from 2016 to 2017.

Foreign Direct Investment (FDI)

Viet Nam recorded an average annual FDI inflows growth of 13.7% from 2012 to 2017, larger than the Asia and the Pacific's 2.9% average annual FDI inflow growth. At the same time, Viet Nam experienced an increase in FDI inflows by 11.9% in 2017. In terms of FDI outflows, Viet Nam had an average annual FDI outflows decline of 11% in the last five years, smaller than the Asia and the Pacific's 3.5% average annual FDI outflow growth. In 2017, Viet Nam experienced a decline in FDI outflows by 61.1%.



Top Trade Partners

In 2017, the largest trade partner of Viet Nam was China, representing 14.5% of its exports and 27.8% of its imports. 6.8% of Viet Nam's exports and 22% of Viet Nam's imports by value were traded with Republic of Korea, its second largest trade partner. Other significant trade partners were United States, Japan, Taiwan, China, Thailand, Malaysia, Germany, Hong Kong, China, and Singapore.

Top Traded Products

The largest product category exported by Viet Nam in 2017 was "Telephone sets, including telephones for cellular networks or for other wireless networks; other apparatus for the transmission or reception of voice, images or other data (including wired/wireless networks), excluding items of 8443, 8525, 8527, or 8528" (8517), with an export share of 19.8% of total exports, followed by the second most exported product category, "Electronic integrated circuits" (8542), which accounted for 6.5% of Viet Nam's total exports. In terms of imports, "Electronic integrated circuits" (8542) represented 8.6% of total imports, standing out the top imported product category. Meanwhile, "Telephone sets, including telephones for cellular networks or for other wireless networks; other apparatus for the transmission or reception of voice, images or other data (including wired/wireless networks), excluding items of 8443, 8525, 8527, or 8528" (8517) had a share of 6.5%, the second largest imported product category in Viet Nam in 2017. (Note: mirror trade data was used to get top traded products for this year for Viet Nam).

Tariffs

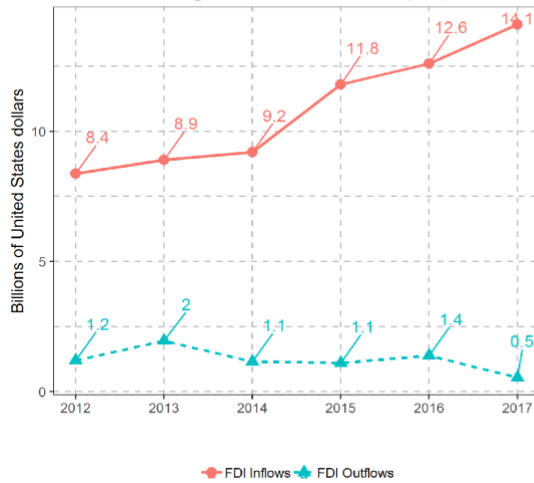
In 2017, average MFN applied and effectively applied tariffs in Viet Nam were 9.58% and 6.33%, respectively - higher than the averages for the Asia-Pacific economies of 7.46% and 6.91%, respectively. Average MFN bound tariff rate of 11.48% was lower than the Asia-Pacific average of 26.35%. Viet Nam acceded to the WTO on 11 January 2007. Currently, 100% of Viet Nam's tariff lines are bound.

Trade Costs

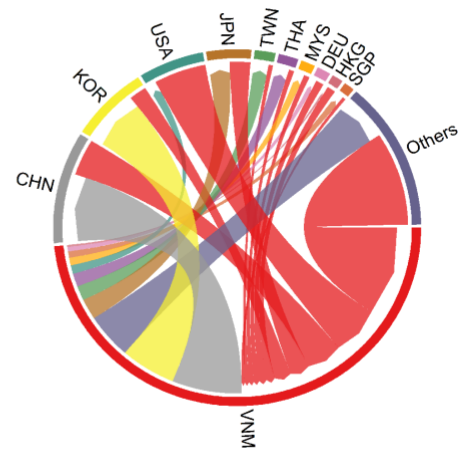
Viet Nam's average trade costs with major trading economies in the region, are presented in the graph below. Trade costs in Viet Nam remained higher compared with the most efficient traders in Asia and the Pacific.



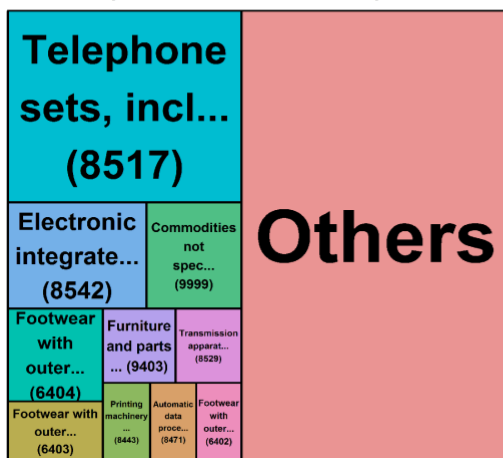
Foreign Direct Investment (FDI)



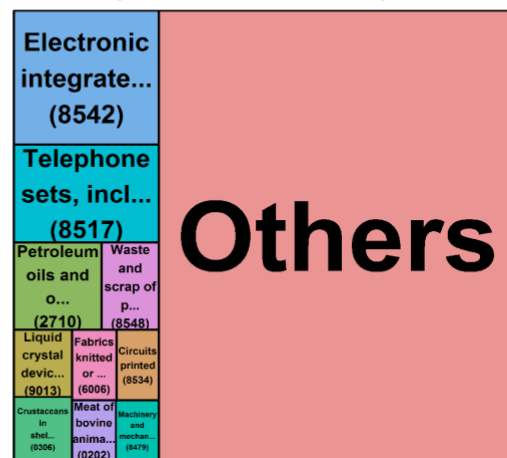
Top 10 trade partners, 2017



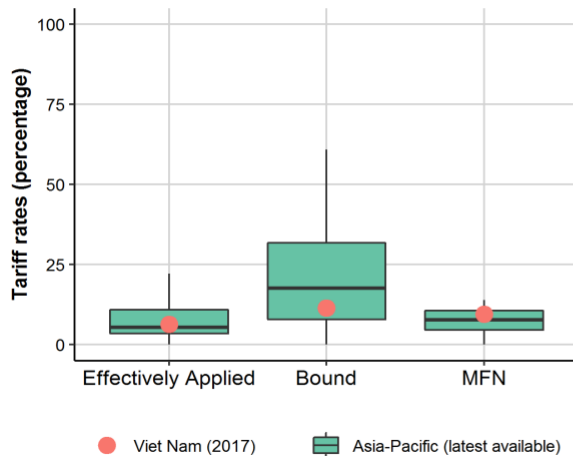
Top merchandise exports



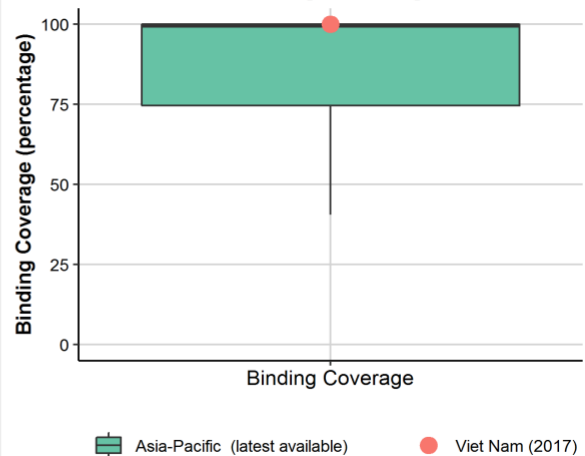
Top merchandise imports

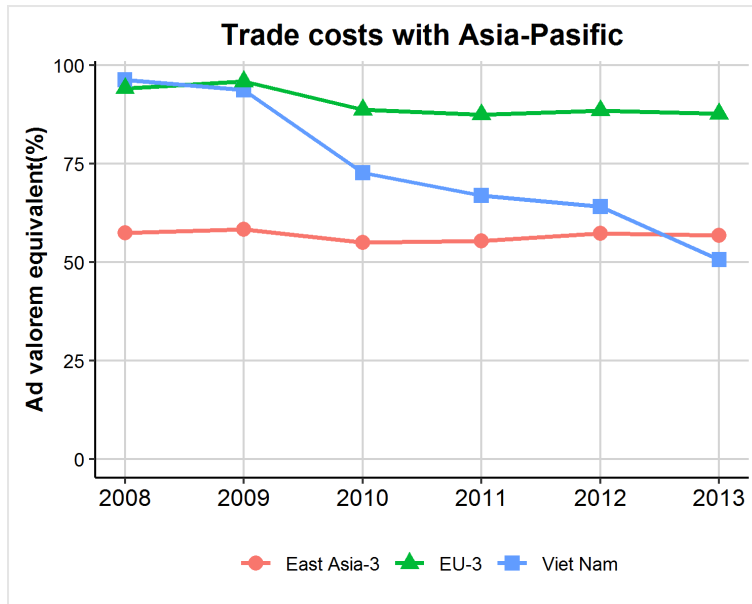


Import Tariffs



Binding coverage





Trade Agreements

Viet Nam has 11 trade agreements in force, 2 signed agreements pending ratification, and 6 trade agreements under negotiation. Of the economy's total exports, 48.2% are directed to its trade agreement partners, while 74.6% of its total imports come from trade agreement partners.

Title	Status	Year in force	Share of total exports (%)	Share of total imports (%)
Global System of Trade Preferences (GSTP)	in force	1989	21.10	38.00
ASEAN Economic Community	in force	1992	9.91	13.24
ASEAN-China	in force	2005	24.38	39.02
ASEAN-Japan	in force	2008	17.86	21.07
Japan-Viet Nam	in force	2009	7.94	7.83
ASEAN-Australia-New Zealand	in force	2010	11.71	14.78
ASEAN-India	in force	2010	11.62	14.94
ASEAN-Republic of Korea	in force	2010	16.69	33.68
Viet Nam-Chile	in force	2014	0.47	0.15
Republic of Korea-Viet Nam	in force	2015	6.78	20.44
Viet Nam-Eurasian Economic Union (EAEU)	in force	2016	1.14	0.73
Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP)	signed	NA	16.05	15.49
Viet Nam-European Union (EU)	signed	NA	18.63	5.58
ASEAN-European Union (EU)	under neg.	NA	28.54	18.82
ASEAN-Hong Kong,China	under neg.	NA	13.18	13.96
Pakistan-Viet Nam	under neg.	NA	0.24	0.06



Title	Status	Year in force	Share of total exports (%)	Share of total imports (%)
Regional Comprehensive Economic Partnership (RCEP)	under neg.	NA	42.61	70.54
Viet Nam-European Free Trade Association (EFTA)	under neg.	NA	0.32	0.44
Viet Nam-Israel	under neg.	NA	0.34	0.03

Sources: Total commercial services and merchandise trade data were accessed from the WTO statistics website. Bilateral trade data accessed through IMF Direction of Trade Statistics. Product-level data accessed through UN Comtrade database. Tariff data were accessed through the World Bank's WITS and WTO tariff databases. FDI data were accessed through UNCTAD statistics portal. Trade-to-GDP ratio was calculated by summing commercial and merchandise exports and imports and dividing the sum by the latest GDP (current United States dollars), retrieved from the World Bank World Development indicators database. Trade costs data were based on the ESCAP-World Bank trade cost database.

Note: Data are based on economies for which data available only. For regional aggregates, latest data was used in lieu of latest missing values. Merchandise trade data follow the latest HS classification. Products are defined at the 4-digit level. Tariffs are simple average. Trade costs shown are tariff equivalents, calculated as trade-weighted average trade costs of economies with found developing economies in the region (China, India, Indonesia and Russian Federation), where data was available. Trade costs for East Asia-3 comprises China, Japan and the Republic of Korea; trade costs for European Union-3 comprises Germany, France and the United Kingdom.

Definitions: MFN bound tariff is the maximum most-favoured nation (MFN) tariff permitted under WTO obligations. MFN applied tariff is the tariff applied to imports among WTO members. The effectively applied rate is the ratio of collected import tariff revenue and value of imports. Binding coverage refers to the share of bound tariff lines in the total number of tariff lines. For more details contact escap-tiid@un.org.