The Economic Prospects of Vietnam in the Integration Period

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Abstract—In the reports of international organizations and economic researchers, there seems to be "common formulas" for the advance economies of Korea, Taiwan, and Singapore. It is not necessary to think of different theories and policies, but to make a determination, to drastically implement the signs, experiences, lessons and universal values of the "tigers" that go ahead. The leader of Singapore's transformation summarized the principle of a nation's success as having a decisive leadership class, an effective management apparatus and a disciplined society. To turn tigers, Vietnam needs to achieve a growth rate of 7% or more over the next twenty years. So how to achieve that goal, avoiding going into the car's woes of economies that have fallen into the middle-income trap. Only with such a growth rate can Vietnam be in the best position to protect its independence and sovereignty.

Index Terms—Economy, Effective Management, Policies.

I. INTRODUCTION

In 1996, after the US normalized relations with Vietnam and Vietnam to join ASEAN the previous year, along with witnessing the economic growth rate of over 8% of Vietnam in a few consecutive years, a prestigious Asian economic and political magazine at that time had an analysis, saying that Vietnam could be a new economic tiger in Asia [1][2][3]. Ten years later, in 2006, after Vietnam joined the WTO and economic growth accelerated above 7.5% in 2004 and 2005 before, the world once again called the new tiger economic expectations. Vietnam. In the last two years, with the economic growth rate increasing to 7%, Vietnam has been again called by the economic experts, investors and the press. But it seems that every time the world expects Vietnam to become an Asian economic tiger, we miss the train [4]. Every time we think we regain a high growth momentum, that momentum usually does not last more than a few years [5][6][7]. After Vietnam joined the WTO in 2006, many experts hoped for a period of take-off of Vietnam but the reality was then different, leading to a "loss decade" as many of them admitted. In 2018, Vietnam once again achieved an economic growth rate of 7%, so how can Vietnam maintain this growth momentum so that we can speed up, take off, or at least not fall back into the round? Serious vortex, or even a spiral of turbulence like before, Proud of the achievements but still has a word "price" if there are correct decisions, don't miss the opportunity now [8][9]. Vietnam is already in a different position, undeniably, with an average annual growth rate of about 5.5% and a fairly impressive development. n in the last few decades since 1990, Vietnam has always been among the top countries with the highest per capita income growth rate in the world, however, it must be bluntly acknowledged, also during the period Our growth rate is not much higher than that of Southeast Asian countries like Indonesia, Malaysia, Thailand is more than 4%, but much lower than neighboring China more than 9% [10][11]. Therefore, after 30 years of renovation, we have not been able to catch up with other ASEAN countries (not to mention being overtaken by Laos in terms of per capita income) and the gap with neighboring China is becoming more and more widespread. far. Proud of the achievements, but still have a word "price". If only we had the right, strong and timely decisions to not miss the opportunity, Vietnam is now in a different position [12]. The main reason is due to Vietnam's policy mistakes and slow reforms during this period. Will Vietnam miss the train this time to become a real new economic tiger, not just on paper and in economists' analysis is the big question.

There have been many studies on the development model of the preceding economies, summarized in 6 golden words: leadership, apparatus and people. First of all, need a clear vision of leadership. It seems that every flourishing period of each nation is associated with the names of the visionary and determined leaders for the development of the country like Singapore, Lee Kuan Yew, and Korea, Pak Chung Hye ... Associated with these leaders are wise decisions, boldly reforming and innovating, transcending dogmatic theories. Unequivocally exiting the old model and daring to accept painful reforms is what the Korean and Singaporean economies have done to take off, becoming economic tigers. Second, build an effective governance apparatus [13][14]. A public authority has a great influence on the future of the country; The right and wise decision, but without effective apparatus, cannot put that decision into practice. Building an effective bureaucracy is daring to cut up institutions, procedures that hinder development, dare to use leaders who have capacity, innovation and responsibility, dare to fiercely fight corruption and pepper extreme, not for personal purposes and to promote a progressive society [15][16]. The development of the tiger previously showed indispensable social participation. But to have that society, it is necessary to have policies to promote the full capacity and resources of the people. If each individual sees benefits from the general development of society, if each individual sees their children have a future in that society, every individual feels the society and environment they are living in is worth it. living will actively contribute to this common cause. In 2017, Vietnam achieved a growth rate of 7.1%, the highest level in a decade and the first time higher than China in nearly thirty years. This is an encouraging sign. But more
importantly, whether Vietnam continues to innovate to maintain this growth in the next years is worth thinking [17]. According to the report “Overcoming obstacles” - the publication of 4/2019 update the East Asia and Pacific economic situation of the World Bank (WB) published on April 24, looking in a positive direction. Vietnam is in a strong position to benefit from many free trade agreements that have been and will be effective in the forecast period. The report said that Vietnam's economy continues to show a positive foundation, with the support of strong domestic demand and export-oriented manufacturing and processing industries. After achieving 6.8% growth in 2017, GDP growth in 2018 was up to 7.1%, because economic activities simultaneously prospered. Exciting economic activity has created more jobs and supported continued poverty reduction [18][19]. The poverty rate according to the international poverty line applied to low-income middle-income countries (3.2 USD, purchasing power parity in 2011) decreased from 8.4% in 2016 to 5.9% in 2018. CPI Overall maintained at a moderate level of 3.5%, lower than the 4% inflation target of the State Bank of Vietnam (SBV). Vietnam's fiscal situation has also improved when overspending. The overall budget decreased to 4% of GDP in 2018 compared to 4.3% in 2017 and 4.9% in 2016. Vietnam's monetary policy continues to balance between two goals, maintaining economic stability, macro and support economic growth. Although monetary policy is generally in a favorable direction, the SBV has gradually tightened credit in 2018, by setting credit growth limits for commercial banks and controlling lending to sectors. High risk areas (real estate, securities, and consumer). The liquidity in the banking sector was significantly tightened, due to the decrease in the deposit growth rate, causing the short-term interbank interest rate to be pushed up. Due to stricter capital mobilization conditions, credit growth dropped to about 14% in 2018 (compared to the same period last year) from 18% in 2017. Although the world trade situation is volatile, rolling Vietnam's external economic balance continues to improve. Vietnam's export turnover increased by 13.2% in 2018 - lower than the 21.8% in 2017, but higher than the global trade growth rate. Exciting commercial activities make Vietnam one of the largest open economies in the world, with a trade rate of over 200% in the year.

II. ECONOMIC PROSPECTS

Although facing many difficulties and challenges, the "picture" of Vietnam's economy in 2018 ended with "bright colors" thanks to the great efforts of both the political system and economic sectors. The outstanding result is that GDP growth in 2018 was about 7, 8%, this figure is higher than many countries in the region and the highest in the last 10 years since the world economic crisis in 2008 estimated to surpass the year. National Assembly targets (6.7%); Average 3 years (2016-2018) increased 6.57% (target of 5-year plan is 6.5 - 7%). The average consumer price index (CPI) is controlled below 4% for the whole year, which is the 3rd consecutive year of controlling under 4%. Credit growth in 2018 increased by about 15% (same period increased by 12.21%), focusing on priority areas; strictly control real estate and securities credit. Exchange rate and foreign exchange market are well controlled; State foreign exchange reserves reached a record of over USD 60 billion. Total export and import turnover is estimated at US $ 475 billion, up 11.7%; trade surplus of over 5.4 billion USD is the 3rd consecutive year of trade surplus. The structure of positive shift towards reducing raw exports, increasing the proportion of processed and agricultural products and increasing the import of machinery and materials for production. Exports of the domestic sector increased by 17.5%, higher than the foreign direct investment (FDI) sector (14.6%). The domestic market is focused on development; e-commerce increases on average 30% per year. Market management, price management, prevention of smuggling and trade fraud are strengthened. State budget revenue (State budget) for the whole year of 2018 exceeded 3% of the estimate; more sustainable revenue structure; proportion of revenue from export and import, crude oil decreased; domestic revenue increased, accounting for nearly 82% of total state budget revenue. The inspection, inspection, anti-revenue loss, tax arrears, price transfer are focused. State budget spending is strictly controlled, economically and more efficiently. The proportion of spending on development investment reached 26.8%, higher than the previous period (23.6%) and the 2016-2020 plan (25-26%). Although, it is still guaranteed to increase the basic salary by 7% every year, but the proportion of recurrent expenditure is still reduced to 63.3%, lower than the beginning of the term (67.7% in 2015) and the 2016-2020 plan. (less than 64%). The budget deficit is estimated at 3.67% of GDP, lower than the set target (3.7%) and is expected to be 3.4% by 2020 (the target is below 4%). Public debt is about 61.4% of GDP, down sharply from 63.7% in 2016.

The total social investment and development capital is estimated to reach 34% of GDP in the whole year, 3 years (2016-2018), estimated at 33.5% (the 5-year target is 32-34%). Proportion of state investment decreased; the proportion of non-state investment increased, of which private investment was estimated at 42.4%, the average of 3 years from 2016 to 2018 was 40.8%, higher than the period of 2011-2015 (38.3%). The realized FDI is estimated to reach 18 billion USD for the whole year, the highest ever. Effective use of investment capital increased; ICOR index for the period 2016-2018 is at 6.32, lower than the period 2011-2015 (6.91).

Business investment environment continues to improve. The Government has implemented a policy of cutting at least 50% of administrative procedures, including reducing, simplifying 61% of business conditions and 60% of specialized inspection procedures for import and export goods; Review and reduce business costs, especially capital costs, BOT fees, and administrative procedures compliance with effective implementation of policies to support business development (DN). Vietnam is evaluated as one of the 10 most strongly committed countries in tax policy reform ...
Strategic breakthroughs and economic restructuring are focused on implementation, achieving many results, making important contributions to the country's economic development. Branches and localities actively implemented the Central Resolution on perfecting the socialist-oriented market economy institution, restructuring state-owned enterprises (SOEs), developing the private economy. Lower structure floors continue to be interested in investing, many important works are completed and put into use. Urban infrastructure developed strongly, urbanization rate was estimated at 38.4%, earlier than the target set by 2020 (38-40%). The issue of training human resources is renewed according to market demand. Labor structure shifted positively; The proportion of labor in agriculture decreased to 38.2% (the target to 2020 is below 40%), industrial, service and human resources with high qualifications increased. According to the World Bank, Vietnam's economic prospects in the short term, according to preliminary calculations, it is generally positive. Growth is expected to slow down to 6.6% in 2019, due to credit tightening, private consumption decreases momentum and weaker external demand. In addition, inflationary pressures remain moderate as forecast (4%), in the context of a slight global drop in demand, energy and food prices are moderate. Private consumption is expected to grow 7.2%; exports of goods and services increased by 14.1%, imports reached 14.2%. Looking at the medium term, growth is forecasted to be around 6.5% because the current cyclical impact will gradually decrease (WB forecasts growth to 6.5% in 2 years 2020, 2021). The poverty rate is expected to continue to decrease as conditions in the labor market are still favorable. According to many experts, Vietnam's economy in 2019 continues to have certain favorable factors, but also many difficulties and challenges. First of all, in 2019 Vietnam has the following basic advantages:

Firstly, the world economy continues its stable growth trend, creating conditions to boost export growth and economic growth.

Secondly, Vietnam's economic growth in recent years, especially in 2018, is high and the stable socio-economic situation is the basis for maintaining the growth rate for 2019.

Thirdly, the SOE sector is expected to operate more effectively after the restructuring process through equitization and divestment, as well as new developments in the fight against corruption.

Besides the advantages, in 2019, our economy still faces many difficulties and challenges. The international situation is complicated and unpredictable; The tendency of protection and bringing domestic production to some developed countries will affect exports and investment flows into Vietnam. If Vietnamese enterprises do not improve their competitiveness on price and product quality, it will be difficult to survive and develop. Inflation is expected to continue at an average of 3.5% in 2019, but will increase to 3.8% in 2020. The announcement of the US Federal Reserve will not raise the policy rate in the year. 2019 will help reduce pressure on Vietnam dong and inflation, similar to the impact of falling world oil prices. However, an increase in the price of education, health services and electricity...
prices may increase inflationary pressures, much like a minimum wage increase. The current account surplus is expected to narrow to 2.5% of GDP this year, and continue to decline to 2.0% in 2020 when export activity decreases due to falling world demand, but The rate of import reduction will be slower because domestic investment and consumption remain high [27]. Overseas remittances may also be affected by weak global economic growth. If the state of trade tension between China and the United States continues to last, Vietnam may benefit from commercial and manufacturing activities moving from the PRC to neighboring countries in the region, increasing GDP further 2.0% in the medium to long term, beyond the forecast.

Discussing the external risk factors for Vietnam’s economic prospects. ADB experts said the growth rates of major economies may decline more sharply, including the European Union, the US and Japan and China - Vietnam’s main trading partners. Domestic risks may come from the slow progress of the SOE reform process. The result of SOE equitization in 2018 is much less than the government’s goal is to equitize at least 85 enterprises. According to the latest report that Standard Chartered Bank's Global Research Division has announced, Vietnam’s economy is forecast to grow at 6.9% this year [28]. These achievements have helped to reduce market instability, enhance Vietnam’s export competitiveness compared to ASEAN countries, attract FDI and enhance public confidence in management capacity and policy of the SBV. We believe that Vietnam will continue to be one of the fastest growing economies in Asia as well as the fastest growing economy in ASEAN in 2019. The world economic picture in 2018 changed very quickly. (most of the regions showed strong growth momentum at the beginning of the year, but then the global market encountered many fluctuations, especially when the US-China trade tension broke out) the results that Vietnam is very impressive [29].

Researching macroeconomics of Standard Chartered experts pointed out that Vietnam’s manufacturing sector has maintained a double-digit growth rate for the past 4 years and this momentum may continue. in 2019. FDI inflows continue to flow strongly into the manufacturing sector that will boost the activity of this sector. Standard Chartered's economic experts forecast that FDI into Vietnam will remain high in 2019, reaching approximately $ 15 billion, and still mainly flows into manufacturing, especially electricity production. death. Therefore, Standard Chartered forecasts that the manufacturing sector will continue to grow strongly this year, although it may be a little slower than last year due to a more unstable external environment. Besides, according to the judgment of the international financial institutions, the agricultural sector will also continue to recover while the service sector continues its growth momentum.

III. CONCLUSION
Capacity and professionalism of Vietnam logistics service enterprises, in recent years, have been increased, several domestic enterprises have conducted intensive investment, conduct SPL package logistics services (integrated logistics), participating in most logistics processes in the supply chain of shippers, thereby establishing prestige with domestic and foreign partners and customers. On the basis of the political requirements and status of our logistics service industry as mentioned above, so that the logistics industry is really a key to improving competitiveness and increasing the value of trade, to removing difficulties - promoting logistics and import-export enterprises, we need to restructure the supply chain to improve added value, competitiveness of Vietnamese trade, especially export and actively participate in global supply chains. The restructuring of the supply chain of import and export enterprises will link, facilitate, and strongly promote the development of logistics services. Vietnam logistics service enterprises are now capable and professional to advise customers on the best logistics solutions suitable to the specific supply chain of each customer. Modernizing the customs system, implementing one-stop customs, e-customs, including the strong development of customs agency by increasing the number of customs agents and building the preferential regime Proceeding with customs procedures for import and export shipments declared by customs agents, such as dossier exemption and goods inspection exemption for declarations signed and stamped by customs agents. Ensuring the consistency, transparency, and consistency of legal regulations governing logistics services business to better serve the facilitation and enhance the competitiveness of trade. Also, in addition to the efforts and initiative of enterprises, it is necessary to have a state-level organization to manage and direct the activities of the logistics industry serving trade throughout the country, including enterprises. Vietnam and foreign-invested enterprises. That is forming the National Logistics Committee. This organization is a bridge between businesses and the state in planning strategies, policies, and action programs to develop our country's logistics sector in association with the development of production, trade and import and export.

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