

## Vietnam on an economic roll

Jostling for space on the trading floor at Ho Chi Minh City's stock exchange, investors are excited as shares creep towards another record closing high. Even while shouting out bids, shareholders watch the big-screen display of blue-chip stocks and the sense of elation is palpable.

The trading floor is symptomatic of Vietnam's overall economy that is energetic and growing fast. Vietnam has enjoyed an annual growth rate of around 7 to 8 percent since 2000 and foreign direct investment into the country is expected to climb to \$20 billion this year, double the 2006 figure.

Since its entry into the World Trade Organisation last November several heads of state including US President George W Bush, President Hu Jintao of China and President Vladimir Putin of Russia have visited Vietnam.

The financial capital is a stark indicator of the country's swift transition. At one level it is a city that is noisy, crowded and dirty as the ubiquitous scooters and bikes wind their way down the narrow and clogged arteries. But on another plane, the central business district, with its trendy cafes and boulevards, is rapidly developing into steel-and-glass structures to rival any metropolitan city.

As the country progressively liberalises its economy, the shift from a closed system to a market-driven system is providing greater opportunities for foreign players to partner with local enterprises.

Nguyen Ngoc Phuc, vice minister in the ministry of planning and investment, explains the reasons for the booming economy.

'We have liberalised our investment regime which makes it attractive for companies, especially in the manufacturing sector, to forge partnerships. Also, Vietnam's location is ideal which is a bonus.'

After it negotiated its WTO entrance, Vietnam has approved many new laws and regulations intended to bring its business environment in line with international standards. Besides, a number of major government corporations across all sectors are in the process of being privatised.

One major reason foreign companies seek to invest in Vietnam is its young labour pool. Almost 65 percent of its 85 million people are less than 30. That perhaps explains why Vietnam will continue to have a large proportion of hard-working low-skill employees for many years.

Deputy minister of foreign affairs Nguyen Phu Binh says the country's large labour force has been a major reason for the economic turnaround.

'As we grow there will be more jobs for people in the country and I believe it holds a bright future, especially for the youth.'

With the government constantly improving the investment environment to create favourable conditions for domestic and foreign enterprises, Vietnam is well on its way to becoming the next Asian economic tiger.

*Murali Krishnan* ( © IANS / India eNews)