



Ho Chi Minh City Economic Update for the period 1996-2000 and 2002

Ho Chi Minh City economic growth rate (GDP) in the period 1996 – 2000 averaged 10.5%. GDP of 2001 was 1.7 times higher than that of 1996. GDP per capita increased from USD 937 in 1995 to USD1,558 in 2002.

In terms of economic structure in 2002, services made up 51.6%, which has a strong impact on not only the economy of Ho Chi Minh City but also that of the entire southern region; industry and construction accounted for 46.7%, an important driving force for the municipal economic growth; and agro-forestry-fishery accounted for 1.7%.

In the period of 1996-2000, industrial production annual growth rate averaged 14.16% making up 29.3% of total national industrial output nationwide; in 2001 and 2002 this growth rate was 16.2% and 14.8% respectively. Industries such as food processing, beverages, chemicals, cosmetics, pharmaceuticals, rubber, plastics, garments, leather and footwears... experienced fair growth. Many products met high-quality standards for domestic consumption and exports.

Two Export Processing Zones and eleven Industrial Parks, HoChiMinh City High-tech Park and Quang Trung Software City were set up to provide favorable conditions for both domestic and foreign investments.

Agricultural production underwent a structural shift to higher value-added products. The annual growth rate of agro-forestry-fishery output averaged 0.66% between 1996 and 2000, and was 9,66% in 2002.

Investment in the development of infrastructure in rural districts, such as transportation, irrigation, new urban areas, schools, hospitals, clinics, electricity and clean water supply, helped improve living conditions of the people and promote production.

The annual growth rate of trade and services averaged 9.16% in Ho Chi Minh City - a national center of economic activities, tourism, and international transactions and also a gateway handling a large volume of imports and exports.

Annual exports growth averaged 19.4%. In 2002, export volume reached more than USD 6.4 billion, accounting for 38.7% of the nation's export volume, with an increase by 14.7% as compared that of 2001.

Transport, storage and warehousing, and telecommunications industries received significant investment for expansion and modernization, efficiently serving both businesses and production and meeting household needs.

In the banking and financial sector, the local presence of all forms of financial and credit institutions such as state-owned commercial banks, joint stock commercial banks, foreign banks, joint-venture banks, and joint stock financial companies have enabled investors to mobilize a fairly large source of funds for expansion of their businesses and production, promoting economic growth. The quality of financial services has gradually improved.

Tourism experienced fair growth with the annual average