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It took time for Vietnam to find feet

Country's economy has made gains after slow start, ambassador says

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Vietnam may be a booming economy in the eyes of the world, but Hanoi's ambassador to Washington speaks with humility about his nation's economic gains in the last decade.

"We were latecomers in economic development," said Le Cong Phung during the second day of a three-day visit with business leaders in Milwaukee.

The one-party state made its share of economic missteps following the 1975 surrender of South Vietnam that ended the Vietnam War. Overconfidence was part of the early problems.

"We thought, after this war, we could do whatever we wanted to because of our victory," the diplomat told the Journal Sentinel editorial board.

The nation, entrapped in poverty after decades of war, adopted a Socialist centrally planned approach to economics that insulated it from international investment. Even as China began opening its economy to international trade in the late 1970s, Vietnam's system was so chaotic that it was importing 1 million tons of rice each year even though the country was growing enough rice to be self-sufficient.

"It took us 10 years to find out how to turn the country around," Phung said, referring to the nation's eventual 1986 decision to adopt *doi moi* policies of economic reform and liberalization. Economists concur that it took until well into the 1990s for Vietnam to make its reforms widespread. Today, however, Vietnam is the world's third-biggest rice exporter, he said.

From there, Vietnam began to find its feet. By 1994, Washington lifted its trade embargo with Vietnam. In 2001, the United States and Vietnam signed a bilateral trade agreement. Hanoi cemented its entry into the world community with its 2007 entry into the World Trade Organization and an invitation in the same year to join the United Nations Security Council as a non-permanent member.

Although Vietnam adopted many of the policies that helped China, Vietnam also learned a few economic shortcuts, the ambassador said. It was quick to open two stock markets and begin to create a

culture of stock ownership. It adopted as much information technology as it could, he said.

Speaking earlier Thursday at the Milwaukee Athletic Club, Phung cataloged the nation's latest economic milestones. Vietnam has lured nearly \$100 billion in foreign investment in the past decade with roughly 10,000 foreign investment projects in place or under way.

By 2020, it wants to be regarded as a fully industrialized nation.

"Vietnam is now a market economy," he said.

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