MACROECONOMIC BULLETIN

PROJECT: SUPPORT FOR ENHANCING CAPACITY IN ADVISING, EXAMINING AND OVERSEEING MACROECONOMIC POLICIES

Issue 2- October 2010

WORLD'S ECONOMY

- The world's economic recovery rate slows down but possibility of a double-dip crisis is slim
- Unemployment remains high, especially in the teenager group (aged from 15 to 24)
- Financial stability is fragile, high threats of monetary conflicts
- Government debt in many countries tend to rise, putting more pressures on national debt

VIETNAM'S ECONOMY

- The Vietnam's economy has basically recovered, with a growth rate surpassing the forecasted 6.5%, but lacks quality.
- High inflation risks, escalating and unpredictable gold and USD prices in the free market are pressurizing efforts to curb down inflation to below 8%
- Budget deficit remains high creating more difficulties to the capital and interest rates markets
- High trade and current account deficits putting increased pressures on the foreign exchange and exchange rate markets in the context of thin foreign exchange reserves and escalating foreign debt
- The labor market shows signs of strong recovery and is heating up

POLICY RECOMMENDATIONS

- To give first priority to curbing inflation down to below 8% per year and reducing double-deficit (budget deficit and current account deficit)
- To strengthen the role of fiscal policies to share the burden with the monetary policies in curbing down inflation and reduce the current high interest rates
- To increase the flexibility of the exchange rate policy, in order to help the economy better cope with the external shocks and to support the monetary and fiscal policies in reducing trade deficits
- To improve the consistency, transparency and predictability in policy implementations
- This is the appropriate time to fasten the "economic restructuring" process, in which priorities should be given to SOEs reforms, improve the economic groups' management, create a level business environment and encourage the strong development of the private sector

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Introduction

The Project "**Support for enhancing capacity in advising, examining and overseeing macroeconomic policies**", chaired by the Economic Committee of the National Assembly, with technical assistance from UNDP. The objective of the Project is to improve the capacity in advising, examining and overseeing macroeconomic policies through the conducts of: (i) training and education; (ii) researches and dialogues on macroeconomic issues and (iii) strengthening and institutionalizing the coordinating and cooperation mechanisms of the beneficiaries, which include: the Economic Committee and other agencies of the National Assembly, the Central Office of the Communist Party of Vietnam (CPV), the Government Office, the National Financial Supervisory Commission (NFSC) and the Vietnam Academy for Social Sciences.

Support for the Project is provided by a network of Institutions, Universities, Economic research centers, including the Institute of Economics, the Analysis and Forecasting Center (of the Vietnam's academy of Social Sciences), the Central Economic Management Research Institute, National Social and Economic Information and Forecast Center (of the Ministry of Planning and Investment), the School of Economics (of the National University), the National Economic University, and the Policy and Development Research Center.

The Macroeconomic News is an important product of the Project, in coordination with the “Vietnam’s Academy of Social Sciences”, aimed to provide analyses, evaluation summaries on the major trends and movements of the world's economy as well as updated information on the macroeconomic situation in Vietnam. The main objects of the Macroeconomic News are the beneficiaries of the Project, the National Assemblers, researchers, and macroeconomic policymakers.

WORLD ECONOMY IN THE THIRD QUARTER OF 2010

OVERVIEW

The world's growth momentum showed signs of slowing down in the third quarter but the possibility of a double- dip crisis is slim.

In the third quarter of 2010, the growth recovery slowed down in almost all economies, along with high unemployment rate while all world imbalances were not reduced. Monetary pressures and risks even surfaced.

Governments continued with economic stimulation and loosen monetary policies to sustain the growth momentum. Until the end of the third quarter, regional and international organizations forecasts still confirmed that the global economy growth rate would remain high in 2010 and would only slow down in 2011[1]. Growth stimulation policies remained and loosen monetary policies continued. However, the loosen policies have stepped into its last phase, and its effectiveness has fallen. The world economic recovery rate dropping since the second quarter did not allow Governments to withdraw stimulus packages and tighten the monetary policy. At the national level, many Central Banks announced that they would continue to practice loosen monetary policy and would be willing to make any necessary adjustments[2].

The global trade flows made a strong recovery in the first half of the year but is predicted to be weaker in the second half. Looking back on the 3 quarters of the year, the global trade flows increasing substantially in both emerging and developed economies was the highlight of the global recovery[3]. According to that, the WTO has adjusted the world's trade growth forecast in 2010 to 13.5%, marking the vast recovery of international trade from the low point of 12.2% in 2009. Also according to WTO, the global trade growth in the last 6 months of the year may slow down as Governments will cease economic stimulus packages and reserves from business decline.

The world's unemployment rate remains high in the third quarter of 2010, especially in the teenage group (aged from 15 to 24)

Due to the slowing down and instability of world's economic growth rate, the unemployment issue in developed (particularly the G-7 nations) as well as developing and emerging countries is still serious. According to ILO's labor and employment statistics, although the employment trend in the global market in September 2010 has improved vastly as compared to the same

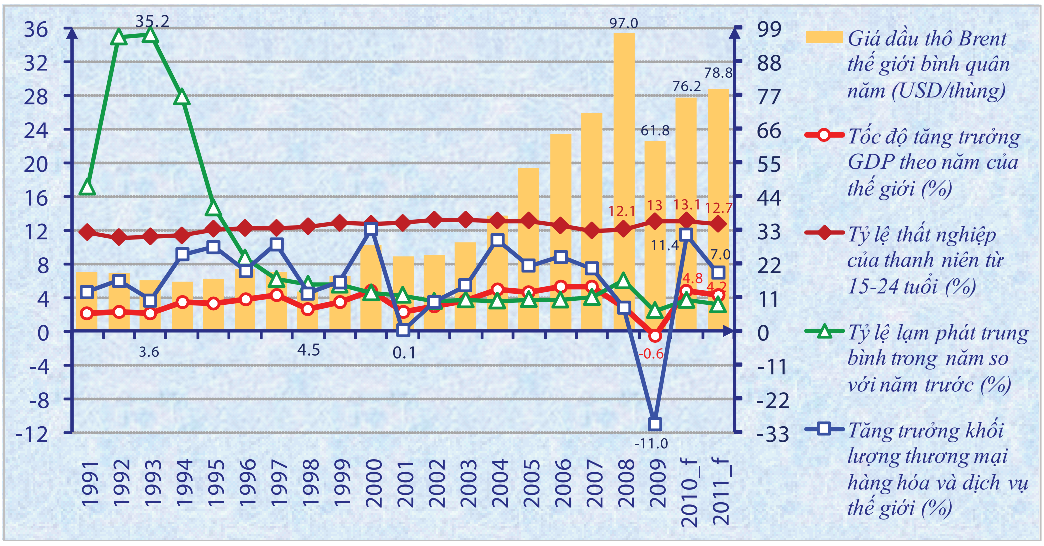
[1] On September 14th 2010, UNCTAD predicted that the real GDP of the world's economy will increase 3.5% in 2010, after a 2% decline in 2009. The report on September 28th 2010 of Asian Development Bank raised the economic development potential of Asia in 2010 to 8.2% (excluding Japan).

[2] On September 21st 2010, the FED announced that it will loosen the monetary policy if necessary and stressed on the asset purchasing program. The British Central Bank also declared that its policymakers are getting closer to supplement supporting policies. On September 2nd 2010, the ECB prolonged the liquidity support program for banks in 2011. These actions are in contrast with the beginning of 2010.

[3] The figures published by the WTO on September 1st 2010 show that the world's trade in the first half of the year has escalated 25%, led by giant emerging economies: exports of China in the second quarter rose 41% and India 30%. The WTO also forecasted that the exports of developed industrial countries will rise 11.5% this year. As for the rest of the world, trade growth is projected to be 16.5%, a spectacular recovery compared to the 7.8% fall last year.

period last year, the unemployment rate remains high, in which such rate of teenagers (15 to 24 years of age) substantially soared (over 13%) and shows no signs of decreasing. It is predicted that in 2011, the unemployment rate will fall slightly, but remains above 10%.

The global macroeconomic status in 2010 and forecasts for 2011



Source: Synthetic data from the World Bank, the International Monetary Fund, the Organisation for Economic Co-operation and Development, and the International Labor Organization

The global financial system is still fragile and possibilities of "monetary" conflicts may arise

In September 2010, the world economy has developed new risks of recovery, especially in the fields of finance and currency. The instability escalated also due to the policy coordination efforts of the key economies in the currency exchange market became "unilateral"

The USD depreciates less than the Chinese Renminbi in the third quarter of 2010, but much more substantial than other key currencies such as the Euro, the Japanese Yen, the Spanish Real, the Mexican Peso, the Swiss Franc and the Singaporean dollar. The large macro imbalances, especially the double - deficit status (both budget and trade deficit), have put pressures on the money value of many key economies, causing considerable fluctuations in the global currency market. The global economic recovery rate in the first half of 2010 moved along with the record depreciation of the Euro against the USD[4]. In the third quarter of 2010, negative signs of the U.S recovery rate led to the significant depreciation of the USD which reached its lowest point as compared to the Euro in 9 months. The major depreciation of the USD also led to the peak appreciation of the Japanese Yen in the last 15 years[5] . In the 9 months of 2010, the Yen appreciated at approximately 14% compared to the USD, which was the highest appreciation among

[4] The "depreciation of the Euro and appreciation of the USD" trend was evident during this period. In the last 6 months of 2010, the Euro has depreciated 17.6% against the USD in the international monetary market.

[5] The Japanese Yen reached 84.73 Yen for 1 USD on August 11th 2010, its highest since 1995. In September 2010, the Yen stayed at below 85 Yen for 1 USD.

developed countries. Meanwhile, the RMB also appreciated about 1.3% compared to the USD, particularly after the U.S Congress approved of the punishing measures for China.

Many other key currencies such as the Real, the Pound, the Franc, the Ruppee, the Singaporean dollar and the Won have relatively appreciated as compared to the RMB in the third quarter of 2010, as the Chinese Central Bank made minor adjustments of the RMB to the USD at a time other currencies considerably appreciate to the USD.

The Euro continues to appreciate significantly as compared to the RMB in the third quarter of 2010. After the 9% decrease of the RMB compared to the Euro in June 2010, the Chinese RBM continued to experience a substantial fall against the Euro throughout the entire third quarter. Despite the under-valuation of the RMB in Europe being less intense than in the U.S (due to the surplus in European trade balance in the third quarter), recently Mr. Jean- Claude Juncker as the Prime Minister of Luxembourg and also Head of the Ministers of Finance in the European Union called upon China to increase the RMB further under the framework of the ASEM, held on October 5th, 2010 in Brussels, Belgium. Mr. Jean- Claude Juncker pointed out that the RMB is being very much under-valued and this would negatively affect the correction of global balances in the post financial crisis period.

Following the U.S, Brazil and India, Europe also believes that China should appreciate further the price of the RMB. However, the China's official view on the currency policy was confirmed by Prime Minister Wien Jiabao that the RMB is slowly appreciating, and pledged "we will continue with these reforms", at the same time refused to commit to the specific price increase of the RMB. The sharp increase of these key currencies in the third quarter of 2010 against the RMB and the USD led more and more countries to unilaterally restrain the appreciation of their respective domestic currency to boost exports and improve the trade balance, such as the Brazilian Central Bank (purchased USD with the ratio of 1 billion USD per day from September 13th to 16th), the Japanese Central Bank (sold 2000 billion Yen, which was approximately 23.6 billion USD on September 15th), and Colombia, Thailand, Switzerland, etc. Apparently, the unilateral policies intervention with the key currency exchange rate have led to new risks in the global financial and monetary system and considerably affected the efforts to sustain macroeconomic stability in many countries. These developments had the analysts give out warnings of the threats of the "currency war" closely approaching. According to this caution, 2 main trends are emerging: *Firstly*, the U.S strongly forces China to appreciate the RMB[6]. *Secondly*, more and more countries are unilaterally restraining the appreciation of their respective domestic currency, in order to boost export and improve the trade balance[7] .

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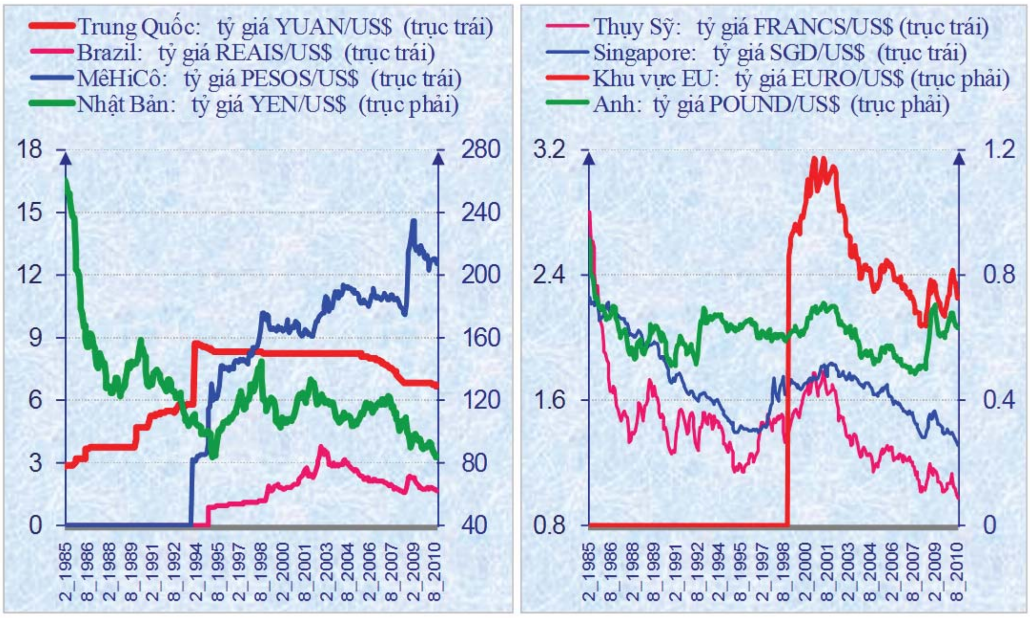
[6] On September 29th 2010, most House Senators approved of the Bill allowing American companies to set import tariffs to Chinese products to retaliate this country for setting the RMB too low.

[7] On September 15th 2010, Japan intervened to lower the Yen for the first time in 6 months. Colombia and Thailand have taken actions to reduce their currency. South Korea is considering the same intervention.

Changes of the key currencies compared to the USD and RMB



Source: Synthetic data from the World Bank, the International Monetary Fund, the Organisation for Economic Co-operation and Development, the Central Banks of Brazil, Mexico, Japan, China, Switzerland, Singapore, England and the Central European Bank.

The international investors and central banks' increasing of gold reserves pushed the price of gold to a record high over the world: As many central banks switched to increasing gold reserves[8], the price of gold has increased sharply in the world's market and reached a record high of 1300USD/ ounce on September 25th 2010. The trend of increased gold reserves at the central banks will continue. In addition, more and more investment funds in the world have considered gold as a safer investment instrument than real estate and securities, taking into account the constant gold price increase over the past 10 years.

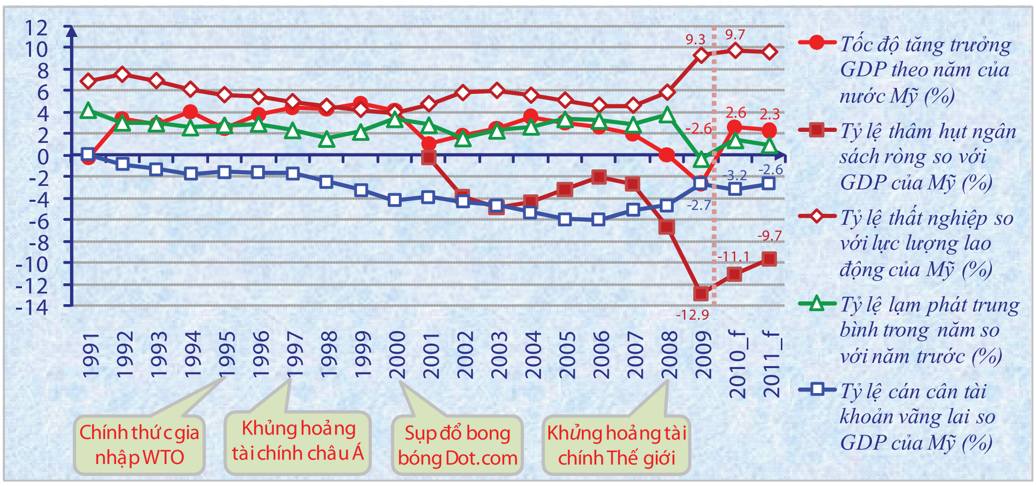
[8] The Chinese government claimed that they almost doubled the gold reserves in 2009 to 1.054 tons. Recently, India, Saudi Arabia, Russia and the Philippines announced to have substantially increased the gold reserves, while other countries such as Sri Lanka, Bangladesh also purchased a large amount

KEY ECONOMIES

The U.S economy: the growth recovery process tends to level off in the third quarter of 2010, unemployment rate remains high at 9.6% and the real estate market still encounters difficulties.

In the face of this situation, the Obama administration has implemented many new economic policies adjustments in order to relay the recovering process, which still has not met its expectations[9]. Instead of supporting big businesses through stimulus packages as before, the U.S Senate (on September 16th) has passed a Bill to support small enterprises to boost their exports values[10]. Commenting on the prospective of the U.S economy in the upcoming months, policymakers believe that the chance of it falling into a second recession is slim, but the growth rate will be low and may be a prolonged stagnation. The growth rate in the third quarter will be similar to that in the second quarter and may be slightly higher than the consumers' confidence, retail sales will also increase compared to the previous quarter. The stagnation may occur due to inflation being low and interest rates reaching its lowest points in months. However, the U.S economy in the fourth quarter may be more positive.

The macroeconomic status of the U.S in 2010 and forecasts for 2011



Source: Synthetic data from the World Bank, the International Monetary Fund, the Organisation for Economic Co-operation and Development and the Federal Reserves.

The EU economy: growth rate in the third quarter of 2010 has slowed down and weakly recovered, unemployment rate remains the highest in the past 12 years.

In the context of slow and fragile recovery, the EU economy has levered its priority to consolidating the financial- banking system. In the third quarter, EU applied a series of measures to strengthen the financial- banking system, given that public debt in the second quarter was threatening

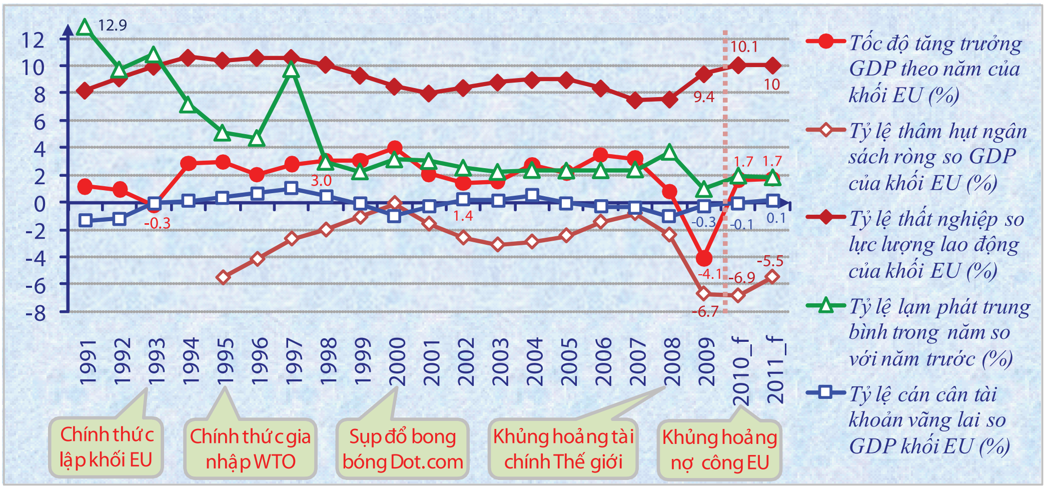
[9] On September 6th 2010 in Milwaukee, U.S President Obama announced the new long- term job creation plan, according to which the authority will make an initial investment of 50 billion USD to reconstruct and expand roads, railways, aviation runways and modernize the air traffic control. On September 8th 2010 in Cleveland, Ohio, President Obama outlined a series of programs, estimated to be 180 billion USD. These line ups include the extension of tax assistance program for businesses and investment in infrastructure development to encourage business recruit more workers to boost employment.

[10] When this bill comes into effect, it will create a 30 billion USD fund for community banks to encourage lending to small enterprises to boost their productivity. This bill also consists of a tax exemption worth 12 billion USD.

the whole system. First of all, EU examined the "health" of the entire banking system, and subsequently strictly applied the Basel III standard[11]. Simultaneously, the European Central Bank (ECB) will prolong assistance loans for banks in 2011. Secondly, European Parliament (EP) approved of the establishment of a financial monitoring structure to prevent possible future crisis. Moreover, the anxiety about a debt crisis still persists as in the third quarter the borrowing cost of European Governments and banks continued to rise when a series of worrying reports about risks to banks and the debt repayment ability of the EU countries surfaced.

On the prospective growth rate, the EU forecasted that GDP of the 16 countries of the EU may increase by 1.7% this year. The growth rate in the third quarter of 2010 is expected to be 0.5% and 0.3% in the fourth. The EU predicted the economy of the EU - 27 would reach 1.8% this year.

The macroeconomic status of the EU in 2010 and forecasts for 2011



Source: Synthetic data from the World Bank, the International Monetary Fund, the Organisation for Economic Co-operation and Development and the Federal Reserves.

Japan's economy: the economic recovery process is slowing down and becomes more fragile; current account surplus is increasing; slight deflation and high unemployment rate remain unchanged.

In order to handle the new situation, the Japanese government has released more economic stimulus packages and the Bank of Japan (BOJ) has unilaterally prevented the Yen from rising sharply. The export status and economic growth in Japan were at a disadvantage in the third quarter of 2010 when the Yen strongly appreciated and became the safe shelter for international investors. The pressure to appreciate the Yen has forced the BOJ to unilaterally interfere with the foreign exchange market for the first time in the last 6 years, making the Yen depreciates 2.1% after the one-day transaction[12].

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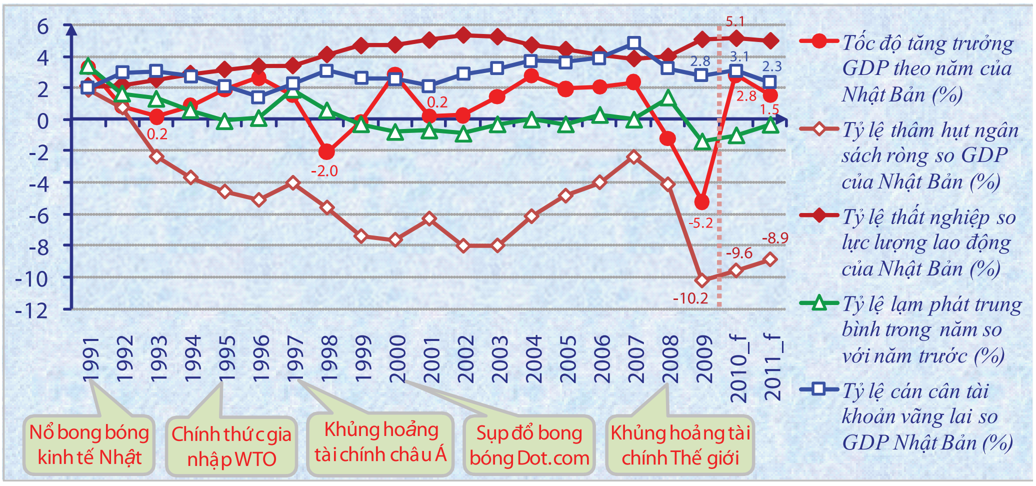
[11] Lending banks must have a common equity of at least 4.5% of organizations' risky assets, in addition to the establishment of a separate capital buffer of 2.5% total asset values to cope with possible financial shocks.

[12] On September 15th 2010, the Japanese government decided to unilaterally intervene in the foreign exchange market after 6 years by purchasing USD to reduce the price of the Yen. At 12hr30 the same day, in the Tokyo market, the Yen fell 2.1%, reaching 84.85 Yen for 1 USD on September 14th 2010.

The drastic actions of the BOJ demonstrate the importance of exports to the recovery of the Japanese economy, especially room for the public spending stimulation policy has reached its limit. Allowing the Yen to appreciate worsens the deflation situation in Japan, and makes the price continuously decrease. Many experts predicted that in the fourth quarter, the Japanese government will continue to pump the Yen into the market until it reaches 85 Yen/ USD.

The macroeconomic status of Japan in 2010 and forecasts for 2011



Source: Synthetic data from the World Bank, the International Monetary Fund, the Organisation for Economic Co-operation and the Bank of Japan.

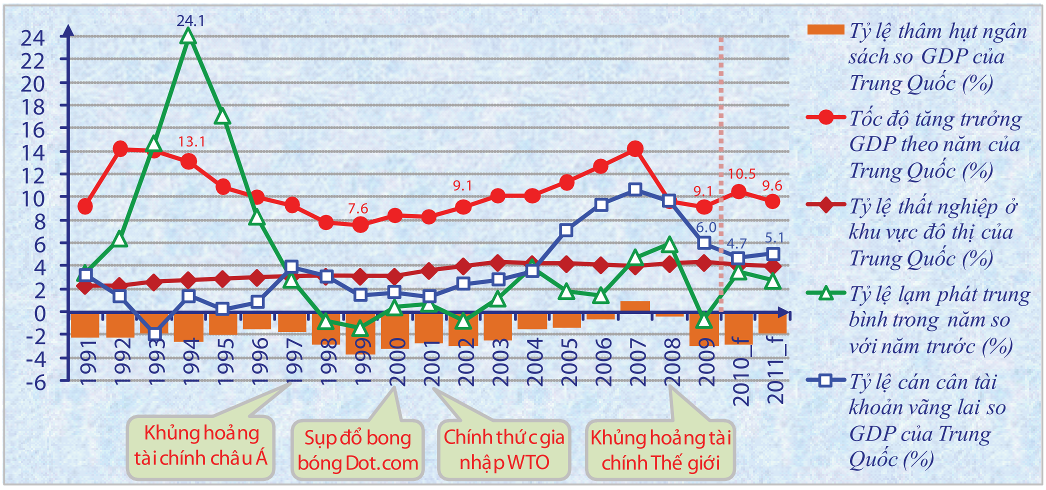
China's Economy: high economic growth in the third quarter of 2010 and urban unemployment rate was improved (at approximately 4.2%), while inflation reached 3.33%, surpassing the 3% target for 2010.

In the third quarter of 2010, the appreciation pressure of the RMB and the strategy to internationalize the RMB received a lot of attention[13]. The fact that China raised the RMB against the USD was apparently due to pressures from the international community, especially from the U.S and EU, but there were also domestic reasons. China's stance and strategy about the RMB in the third quarter of 2010 showed that: First, China stressed that the fundamental cause for the U.S trade deficit with China was not the RMB exchange rate but the trade balance along with the investment and economic structures created by both countries. In the immediate term, China cannot raise the price of the RMB as requested by the U.S, since it will negatively affect employment and increase social unrest in China. Second, China is currently quietly carrying out the RMB internationalization strategy by enhancing the role of international payment of the RMB in the regional trade area and the world. In addition, China has started to allow foreign businesses to issue bonds in terms of RMB at the Hong Kong financial market, while simultaneously proposing the central banks in Asia buy Chinese bonds[14].

[13] According to the data from the Chinese foreign exchange center, on September 21st, the exchange rate between the RMB and the USD was 6.6997 (1 USD= 6.6997 RMB), up 113 points compared to the trading session on September 20th 2010 (the RMB/ USD rate was 6.7110). From September 10th to September 21st 2010, the RMB continuously increased in 8 trading sessions with 820 points. This is a record since the exchange rate reform in 2005, and the first time to close below the threshold of 6.70 RMB/ USD.

[14] Recently, the Malaysian Central Bank has become the first bank to accept the Chinese proposal.

The macroeconomic status of China in 2010 and forecasts for 2011



Source: Synthetic data from the World Bank, the International Monetary Fund, the Organisation for Economic Co-operation and the Central Bank of China.

OVERVIEW

The economic recovery rate slows down, unemployment remains high, financial system stays fragile with serious threats of monetary conflicts, Government debt tends to be escalating, thus increasingly putting pressures on national debt.

The above-mentioned analysis about the world's economic situation in the third quarter of 2010 shows that the global recovery momentum is slowing down but chances of double dip are slim, while new risks are emerging on the global foreign exchange market, especially potential risks relating to the national financial indexes. The substantial depreciation of the USD against other key currencies on the international market has restrained the recovery momentum of many export- oriented economies, mainly developing and emerging economies as well as new industrialized economies in Asia (including Korea, Hong Kong, Taiwan and Singapore). In that context, some Asian Central Banks have unilaterally interfered with the foreign exchange market, aiming to contain the price increase rate of the domestic currency against the USD. These uncoordinated policies of interference may be the fuse to the upcoming monetary and trade conflicts, leading to increasing instability in the international economic system and mounting difficulties of gaining the necessary balance to fix the global imbalances. The slow recovery rate of the world's economy and the worsening economic environment in the third quarter of 2010 demand considerate attention and careful analysis in order to provide effective and timely responding policies for Vietnam in the fourth quarter of 2010 and in 2011, in accordance with the following fundamental channels.

Impacts on Vietnam's economic growth in the fourth quarter of 2010 and 2011: In the aggregate Vietnam social investment according to the price carried out in the 9 months of 2010 (estimated to be 602.8 thousand billion VND), the foreign direct investment segment accounts for 25.6%. The key economic sectors account for 91.6% of newly registered FDI and is increasing into Vietnam (12.190 billion USD), in which EU makes up for 30.7%, Asian NICs (30.3%), the U.S (15.3%), Japan (12.8%), and China (2.6%). As FDI plays a crucial part, macroeconomic changes as well as domestic currencies in the above-mentioned countries will indirectly influence the investment capital and the total factor productivity (TFP) in the Vietnam's production function, thus indirectly affect the economic potential of the fourth quarter of 2010 and 2011.

Impacts on Vietnam's inflation in the fourth quarter of 2010 and 2011: As our country has to import about 4.254 billion USD worth of products such as wheat, milk and products from milk, cooking oil, fat (both organic and vegetarian), vegetables, etc. in the first 8 months of 2010 (mostly from China, the U.S, the EU, Japan and NICs), the price rising trend of the key currencies against the USD and RMB will export inflation to Vietnam through increasing the price index of food. In addition, the fact that Vietnam imports 842 million USD worth of papers and products from paper which mainly come from the chief economies above also led to the growing price index of the education group. Furthermore, the price index of the transportation group was also incredibly influenced by the 4.364 billion USD imports of oil and petroleum, 787 million USD of liquefied petroleum gas (LPG) and other products from oil in the same quarter. Also during the first 8 months, the price index of housing and construction materials were also strongly affected since Vietnam has imported 5.910 billion USD of steel, steel fusils and other regular metals; 1.091 billion USD of products from steel, 63 million USD of clanhke to produce cement. Moreover, with the 958 million USD imports of pharmaceutical materials and products from these ingredients also had impacts on the medicines and medical services indexes in the same period.

Impacts on the Vietnam's balance of payments in the fourth quarter of 2010 and in 2011: In the first 8 months of 2010, on the one hand, many key economies were the largest exporting markets of Vietnam (exports turnover to the U.S was 9.1 billion USD, which was a 25.7% increase as compared to the same period last year; exports to EU reached 6.9 billion USD, up 12.5%; exports to ASEAN was 6.8 billion USD, up 19.7%, exports to Japan was 4.8 billion USD, up 24.4%, exports to China was 4.1 billion USD, up 46.8%; exports to South Korea was 1.7 billion USD, up 31.5%). On the other hand, Vietnam also imports from the above key economies, specifically: from China 12.5 billion USD, a 29% increase; from ASEAN 10.1 billion USD, a 27.7% increase; from South Korea 5.8 billion USD, a 40.3% increase; from Japan 5.6 billion USD, a 23.2% increase; from EU 4 billion USD, a 17.3% increase and from Taiwan 4.5 billion USD, a 10.4% increase. Also in the first 9 months of 2010, foreign direct investment from the key economies to Vietnam reached 11.169 billion USD (accounted for 91.6% total FDI to Vietnam). Moreover, ODA capital also came from these main countries, especially Japan. Hence, the pace of the economic recovery as well as the strong fluctuations of the domestic currencies of these economies against the USD and the RMB will substantially influence Vietnam's balance of payments in the fourth quarter of 2010 and in 2011..

Impacts on the labor and employment market of Vietnam in the fourth quarter of 2010 and in 2011: Since Vietnam mostly export labor to Taiwan, South Korea, Japan and a few EU countries, the economic status of these countries will noticeably affect the Vietnamese labor export scale. In addition, the labor force of the Vietnamese industrial sectors that are export - oriented will also be directly affected by the macroeconomic situation in these countries, thus indirectly makes impact on the Vietnamese labor market in the last quarter of 2010 and in 2011.

OVERVIEW

VIETNAM'S ECONOMY IN THE THIRD QUARTER AND THE FIRST 9 MONTHS OF 2010

The general remark on Vietnam's economy in the third quarter and in the first 9 months of the year is that the economy has basically recovered and this is proven in all four macroeconomic indexes, including: (i) GDP growth; (ii) Inflation; (iii) Trade deficit; and (iv) Labor and employment. Nevertheless, the first and fourth index (growth and employment) show a positive trend while there are significant risks relating to the remaining 2 indexes: inflation and trade deficit.

Along with the 3 best high - lights of the economy on fast growth recovery, the high demand for exporting and domestic products, and the increasing call for labor- which opens more job opportunities for workers to improve their earnings, the Vietnamese economy is also facing 3 significant challenges not only for the remaining months of the year, but also for 2011, which include : (i) To curb inflation down to 7-8% in a year; (ii) To improve the current account balance of payments deficit; and (iii) To overcome the power shortage. At the same time, the Vietnamese economy recently appears to encounter a few potential risks involving the rise of 3 types of "price" in the capital, foreign exchange and labor markets; they are interest rates, exchange rates and wages. The interest rates in VND show no signs of decreasing despite the Government's determination to lower the interest rate ground and the increase in dollar deposit rate. The Central bank adjusts the rate but all transactions are made at the ceiling rate. Wages are also rising along with the increase in labor shortage. The fluctuations of the three types of prices do not exist independently but interact with each other, and have the ability to create an inflation spiral in the last quarter of 2010 and possibly in 2011 as well.

KEY MACROECONOMIC INDICATORS

Economic Growth

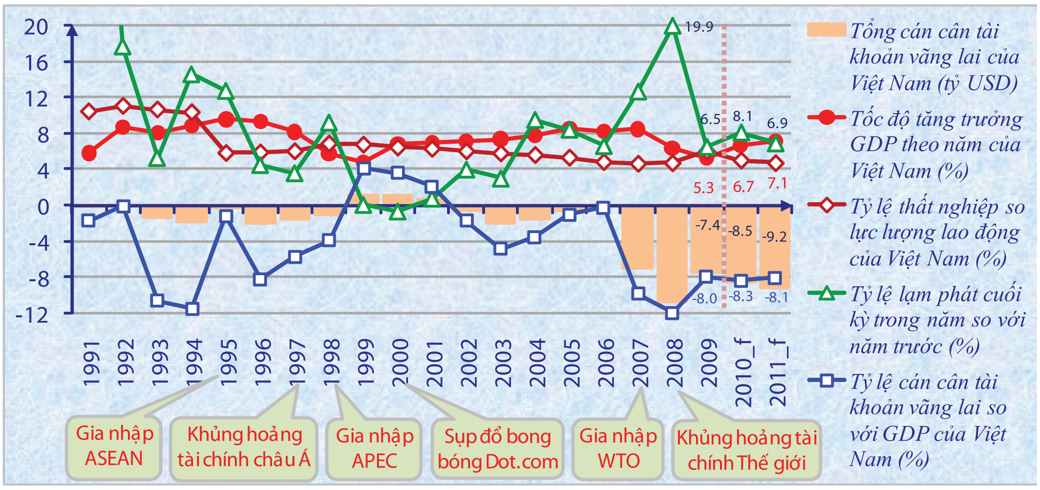
The Vietnam's economy has basically recovered and will maintain its growth momentum in the last months of 2010, but growth quality remains low. In particular, the economic growth in the first 9 months of 2010 was 6.52% compared to the same period last year (which equals the 6.52% growth in the same period of 2008 and higher than the 4.62% of 2009).

The largest contributors to the economic growth after 9 months is the industrial and construction sectors (grew 7.29% and contributed 3.01 percentage points), and the smallest contributor was agriculture (grew 2.89%). Additionally, the contribution from factors of increased input of social investment is also worth mentioning. In September 2010, the total investment in the whole society implemented is estimated to be 602.8 billion

VND (a 19.8% increase compared to the same period last year), in which the State investment accounts for the largest share of 37.6% and is 30.2% higher than the same period last year. Furthermore, the domestic consumption factor has also played a crucial role in boosting economic growth in the first 9 months of 2010. Specifically, the demand for goods and services has increased, illustrated by the aggregate the 25.4% increase in retail sales and consumption services profits in the first 9 months of 2010, as compared to the same period last year (15.4% if the price influencing factor is counted out).

As the growth rate in the first 9 months of the year surpassed the 6.5% set by the National Assembly for 2010 and the growth momentum in the third quarter is still rapid (up by 7.16%), the economic growth is predicted to exceed target and possibly reach 6.7- 6.8% for one year.

The macroeconomic status of Vietnam in 2010 and forecasts for 2011



Source: Synthetic data from the State Bank of Vietnam, the General Statistics Office, the International Monetary Fund and the World Bank.

Inflation

High inflation risk along with the escalating and unpredictable fluctuation of the price of gold and USD in the free market are creating challenges for the efforts to curb inflation down to 7-8% in 2010.

The consumer price index in September 2010 has skyrocketed to its peak compared to the same period of the last 16 years and still continues to increase in the fourth quarter of 2010. After changing pace from slowing down to speeding up from August 2010, the monthly consumer price index (CPI) has unexpectedly risen to a record high of 1.31% in September 2010. This is believed to be the highest CPI of September compared to other Septembers over the last 16 years (from September 1995 to September 2010). Due to the escalating inflation of 6.4% in only 9 months, the remaining room for further inflation in the fourth quarter is very slim (below 1.54% for one quarter, or below 0.51% for one month), in order to meet the target of 8% a year. The mutant rise of the CPI in the last months of the year in the context of high and unpredicted fluctuation of gold and USD price in the free market[15] signaled the difficulties and challenges to the Government in efforts to bring inflation down to 7-8% in 2010.

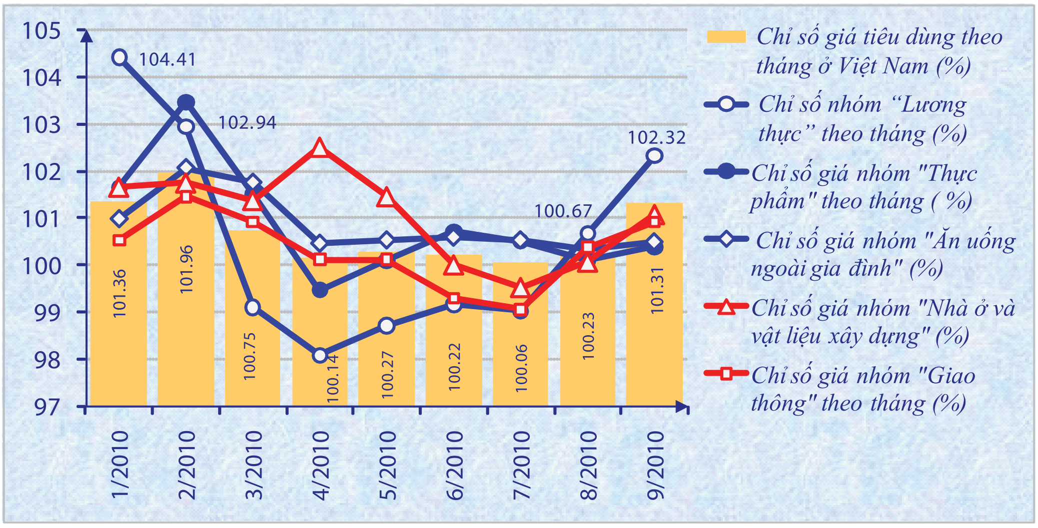
The main cause of the sharp increase of the CPI in September stemmed from cost push inflation. In the goods and services basket constituting the CPI, 10 out of 11 groups (telecommunications as the only exception) have increased in September 2010, in which the highest was the education group with a 12.02% increase and lowest was the home equipment and appliances group, with a mere 0.34% increase. One noteworthy reason is that the education price index has continuously risen in the third quarter and is the highest group for 2 months consecutively (August and September 2010). Despite accounting for only 5.72% of the goods and services basket making up the CPI, with the price index reaching a record high of 12.02%, the education group is considered one of the main factors contributing to over half (about 0.7%) of the unpredicted increase of CPI (1.31%) in September 2010.

The second main cause is the rise in the price index of the food group (2.32%) in the same period. The exporting price of rice in the world's market tripled in August 2010 and pushed the price of 5% broken rice peas to a 12.5% increase to 450 USD a ton, thus the price of domestic price exports also escalated. In the first half of September 2010 alone, Vietnam has exported 301.163 tons of rice with a total of approximately 111 million USD, which significantly affected the domestic food price increase trend.

The third main cause is the substantial increase in the price index of the housing and construction group (1.08%) and of the transportation group (0.91%) in the same period. In practice, due to the impact of the 10 USD per ton increase in the price of billet in the world's market and the high price of the raw material inputs such as scrap and iron ore in the second half of August 2010, the domestic price of steel was pushed up 0.3 million VND/ ton. While the factory price of steel before tax was 13.6 million USD/ ton, the retail price in the domestic market was 14.8 million USD/ ton, making a large impact on the fluctuation of the CPI in September 2010. In addition, the decision to increase the price of gasoline at 410 VND/ liter and diesel at 350 VND/ liter (from August 9th, 2010) also affected the public's inflation expecta-

[15] The domestic price of gold in late September 2010 in the free market was recorded at 31.14 million VND/ ounce, a 2.23 million VND/ ounce rise or a 7.71% increase compared to the price in late August 2010. The domestic price of gold tends to be much higher than in the world's gold market in the same period, partly due to the "speculation, price determination" reason of many gold businesses in the country. The price of USD in the Vietnam's free market in the last half of September faced appreciation pressures. The difference between the VND and the USD in the free market and the official rate was increasing in late September 2010 and shows no signs of stopping in the fourth quarter.

Changes in the Consumer Price Index of Vietnam in the first 9 months of 2010

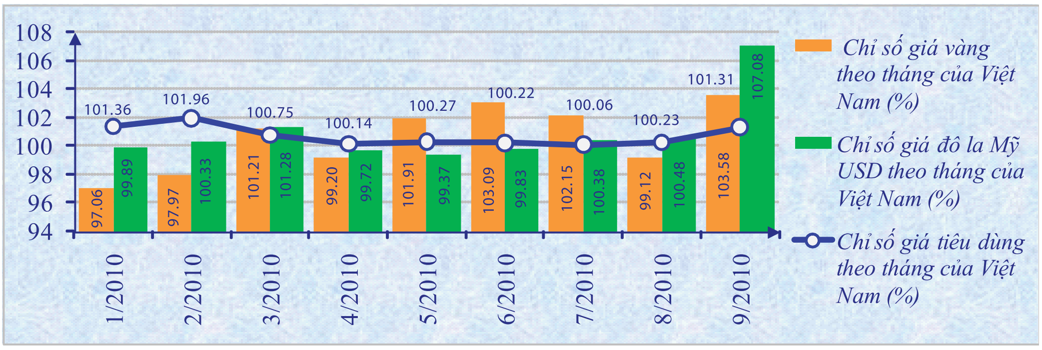


Source: Vietnam's General Statistics Office (GSO, 2010

tions in September 2010.

The adjustment of the VND/ USD currency ratio (up 2.1%) in August 2010 has also affected the increase in the price of food, and other input materials to a certain extent in the last half of the third quarter. In the last months of the year, the high price trend of production input materials in the international market will be transmitted into the domestic price through the import channel. Simultaneously, the demand of high wages as labor shortage spreads may put pressure on the wage- inflation loop. To many businesses, the lack of orders in the first half of 2009 has converted into labor shortage and high input price[16]. The inflation pressure thus will escalate in the remaining months of 2010.

Interaction index of the USD, gold and Vietnam's inflation in the first 9 months of 2010



Source: Vietnam's General Statistics Office (GSO, 2010.

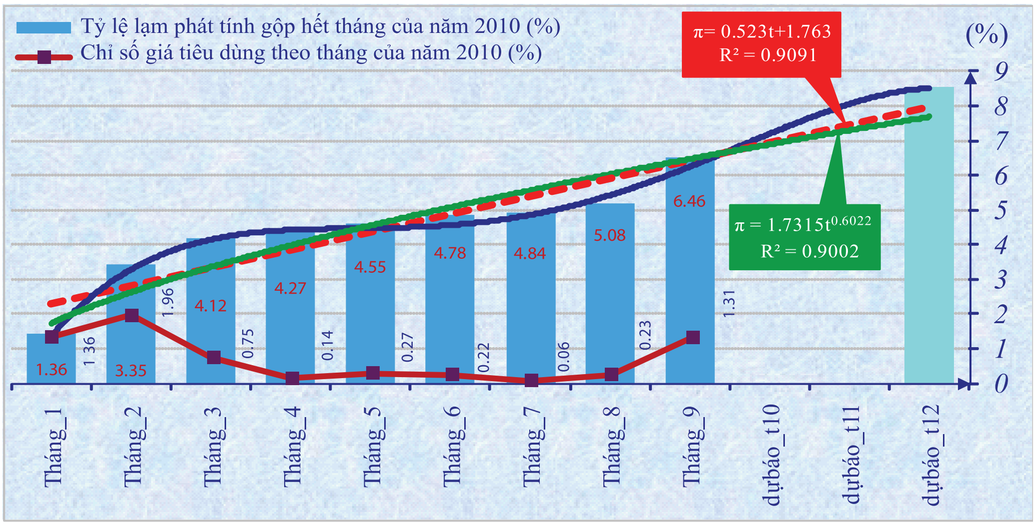
Furthermore, the latency effects of increasing money supply and credit in the third quarter of 2010 should not be omitted. In July 2010, the total payment only rose 12.96% compared to the last half of 2009 (cash circulating outside the banking system was up 5.1% in the same period) while in August 2010, it was 16.31% higher than the second half of 2009 (cash circulating outside the banking system was up 8.37% in the same period). Up until September 16th 2010, the total payment increased 18.5% compared to the last 6 months of 2009, together with the resonance effect stemming from mounting public expenditure in the third quarter have contributed to the rising pressure on the CPI of September.

[16] ***The report on Business,*** **Labor and Employment review, The Analysis and Forecasting Center of the Vietnam's Academy for Social Science, September 2010.**

It is predicted that efforts to curb inflation down to 7-8% in 2010 will be increasingly difficult in the last 3 months. According to the main causes of the high CPI in September 2010, it is evident that the cause stemming from the education group is only temporary, while the others (accounted for 0.61%) will be the main factors pressurizing the economy in the last quarter of the year. Moreover, Vietnam's CPI tends to rise in November and even more so in December every year, hence, the target of reducing inflation to 7-8% in the fourth quarter is practically difficult.

Unless there are effective and timely measures to restrain the rising momentum of the CPI in the last quarter, the possibility of Vietnam's inflation rate hitting 7.9-8.4% is high (the estimation of the econometrics forecasting model for the fourth quarter of 2010 was done with the initial frame assumption that the Brent crude oil price in the international market in the fourth quarter will still oscillate between 76-78 USD/ barrel and the domestic credit growth will be 23-24% per year).

Forecast of Vietnam's inflation in the fourth quarter and 2010



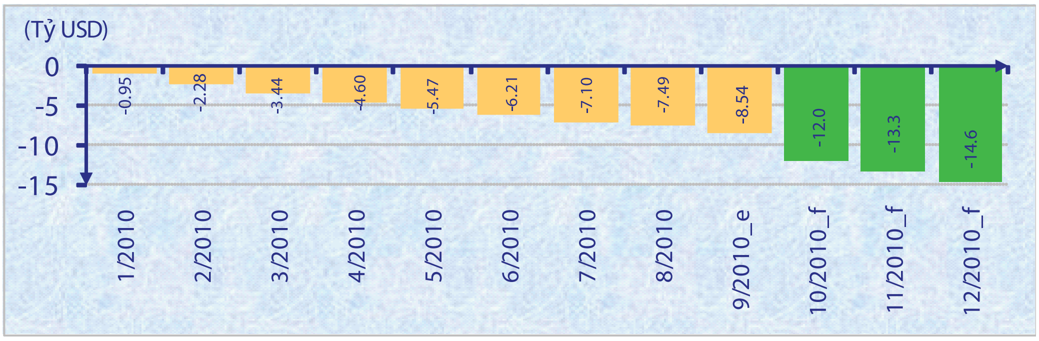
Vietnam's General Statistics Office, the International Monetary Fund, the World Bank, and the State Bank of Vietnam.

The international balance of payments

The current account balance and the trade balance were still in high and persistent deficit, putting pressures on the foreign exchange market and the exchange rates in the context of thin foreign exchange reserves and increasing national foreign debt.

The crucial reason for the current account deficit is that Vietnam's trade deficit was still high and prolonged, especially trade deficit with China. According to the forecasting data on Vietnam's trade deficit in the third quarter of the Ministry of Industry and Trade, combined with the synthesis data from the State Bank, IMF and World Bank, it can be predicted that the ratio of the current account balance deficit over GDP in 2010 will be approximately 8.3%/ year and will potentially be reduced to 8.1% in 2011.

Forecast of Vietnam's trade deficit in the fourth quarter and in 2010



Source: The ministry of Industry and Trade 2010.

The trade balance in the first 9 months of 2010 experienced a high deficit in terms of absolute value, but is gradually improving as export is making a fast recovery (up 39.4% compared to the same period last year). The total import surplus in the first 9 months of the year is estimated to be 8.61 billion USD, which is higher than that of the same period in 2009 (during the global financial crisis) but is still lower than the 15.8 billion USD deficit in the first 9 months of 2008 (prior to the financial downturn). The trade deficit over export turnover ratio in the third quarter of 2010 is declining, from 24.2% in the first quarter to 15.5% in the second quarter and 12.8% in the third. In the first 9 months of the year, the deficit over export turnover ratio only fluctuated 16.9% on average. After oscillating in a decreasing trend in the first 8 months of 2010, the monthly trade deficit of Vietnam has shown signs of rising. Nevertheless, the target of restraining the import over export ratio under 20% in 2010 is still feasible.

Capital account balance of Vietnam in the first 9 months of 2010 has always been high surplus. On the one hand, it has mostly compensated for the current account deficit, while on the other hand has brought in the threats of higher foreign debt for the economy.

According to the statistical data from the State Bank, in the first 6 months of the year, the surplus on the capital account was 7.005 billion USD, the deficit of the current account was 3.570 billion USD, and thus the surplus is still enough to offset the deficit. In the capital balance, FDI net surplus was about 3.705 billion USD, FII surplus was 1.8 billion USD, and foreign borrowing was 1.6 billion USD. The current account deficit is always compensated by the surplus in the capital account. However, capital account surplus is not always a good sign as it consists of foreign debt that needs to be repaid in the future, hence it will become a significant concern if the capital is not invested effectively, cannot improve the economy's productivity and unable to create foreign currency to repay the debt. Capital account surplus is the "reflection" of the current account deficit, in which the trade balance is the largest component and has similar oscillation. Therefore, the analysis of the current account can be switched to the examination of the trade balance to highlight the structural issue of the economy, which is prolonged trade deficit[17].

In the past years, especially since 2007 when Vietnam officially became a member of the WTO, the trade balance experienced huge deficits, from 2.7 billion USD in 2006 to 10.3 billion USD in 2007 (up 273%). From 2007 to the first 9 months of 2010, trade deficit has always remained high. This problem demands capital from abroad to offset the deficit. More remarkably, in 2009, the overall balance of payments was an 8.8 billion USD deficit, and it is estimated to be 4 billion USD in 2010[18]. After the "Vinashin incident", Vietnam's ability to raise capital in the international market has become more difficult and costly. Additionally, the world's economy is slowly recovering and faces many difficulties concerning the threats of monetary conflicts, hence attracting FDI is not as simple as before. Up to December 31st 2009, Vietnam's total public debt is 52.6% of GDP and it is estimated that by December 31st 2010, it will be 56.7% of GDP[19]. Public debt reaching almost 60% of GDP has weakened the confidence of investors in debt sustainability and the ability to repay the debt of the economy[20].

Finding a stable and less risky source of capital borrowing for the economy in order to compensate for the trade deficit is an immediate goal. In the mid and long run, it is essential to reduce borrowing and establish a more stable balance of payment. This requires curbing trade deficit to be associated with the fundamental and economic structural issues and above all, time. In principal, trade deficit stems from domestic investment being higher than domestic saving. National savings is consisted of private savings and public savings. However, negative public

[17] In recent years, the surplus from transfers in the current account balance tended to compensate for the deficits from investment income and service balance. While the total of the transfers, service balance and investment income in 2007 was 4.7 billion USD, in 2008 it fell to 2.2 billion USD, then 0.9 billion USD in 2009 and in 2010, the figure declined to - 0.4 billion USD.

[18] According to the estimation for 2010 of the Ministry of Planning and Investment ("Report on the economic and social situation in 2010" of the Ministry of Planning and Investment at the Government Meeting in August 2010), the capital account was 9.2 billion USD surplus, the current account was 10.6 billion USD deficit and the aggregate balance was a 4 billion USD deficit. This is the second consecutive year the aggregate balance experienced a deficit (in 2009, the deficit was 8.8 billion USD).

[19] Report on the State budget from the Minister of Finance Vu Van Ninh.

[20] Many economists believed that we should not depend too much on the debt threshold to evaluate the sustainability of debt but instead, we should examine it based on the scale, the scope and the quality of debt.

savings in a long period of time have led to a reduction in total savings of the entire economy. Thus, to reduce trade deficit, it is necessary to increase State savings, lessen budget deficit, cut down on ineffective investments of SOEs through **the principle of hard budget constraint**[21].

So, the capital account surplus to compensate for the current account deficit in Vietnam only increases foreign debt. According to the statistics from the Ministry of Finance, on December 31st 2009, Vietnam's foreign debt in current price was 38.8% GDP, while it is estimated that by December 31st 2010, this figure will be up to 42.2% GDP. In order to reduce foreign debt, it is essential to decrease budget deficit and investments from SOEs. In the short run, Vietnam's total balance of payments deficit for 2 years consecutively[22] has reduced the foreign exchange reserves and the ability to interfere with the foreign exchange market of the State Bank, while losing the confidence of the public when holding the domestic currency and making the foreign exchange market more fragile.

Labor and Employment

The labor market has recovered significantly and witnessed positive developments as the demand for labor in the third quarter of 2010 remains high due to the recovery of the economic growth momentum, especially in the engineering sector and other labor intensive export sectors. The labor market in the post crisis period is occurring under a positive trend, proving that the strong economic recovery in Vietnam is associated with job creations in both rural and urban areas, leading to a fast recovery in the labor market, in both official and unofficial areas.

Of the 3 largest economic sectors, the official reporting data shows that the labor demand in the third quarter of this year in the industrial sector has risen most significantly. In September 2010, according to the data from the Industrial Economics department (of the Ministry of Planning and Investment), total labor of the entire industrial sector increased 0.5% compared to the previous month. It is worth mentioning that the labor force has risen in some cities and provinces such as Bac Ninh (up by 4.2% in September compared to the previous month); Hai Duong (up by 3%), Vinh Phuc (up by 0.9%), Binh Duong (up by 0.8%), Hanoi (up by 0.3%) and Ho Chi Minh city (up by 0.4%). On another note, while the industrial labor force in the private sector increased the most in September 2010 (up by 0.8% compared to the previous month) and the foreign investment sector came in closely after that (up by 0.7%), they fell (down by 0.1%) in the State economic sector. Additionally, the labor force in the 3 industrial sectors: (i) mining; (ii) processing and (iii) electronic, gas and water production and distribution are believed to have risen most considerably in the third quarter.

[21] Janos Kornai believed that applying the soft budget constraint to SOEs in East European socialist economies as well as transition economies always increase investment significantly and thus leading to low investment quality. Only when the principles of hard budget constraints are applied to SOEs, investments will decline and the quality will be enhanced..

[22] A deficit of 7.4 billion USD in 2009 and in 2010, it is estimated to be at a 8.5 billion USD deficit.

The data information gathered from the business, labor and employment surveys by the Vietnam Academy for Social Science carried out in August and September 2010 shows that many businesses were unable to find sufficient labor force as required. The widespread labor shortage has made it difficult for many businesses but at the same time, created better job opportunities with higher income and better working conditions after one year of being severely affected by the economic recession. The information from this survey also demonstrated the wage for the workers (both in nominal and real terms, meaning taking into account inflation factors) is increasing[23].

The unemployment rate is not high and is decreasing. In practice, the unemployment rate in the urban area in the first 3 quarters of the year remains low and is currently being improved[24]. The unemployment rate in the urban area in the fourth quarter is predicted to drop, leading to the fall of the national unemployment rate to 5% in 2010 (IMF and WB, 2010). The 2011 potential will be more positive after the unemployment rate in the urban area is projected to fall to 4% per year. This is a relatively low unemployment figure when compared to other countries that have also been negatively affected by the global financial crisis. The surveys with businesses show that labor-intensive exporting businesses also have the potential to experience high growth in 2011 despite the recovery rate in developing countries remain slow and possibilities of another crisis still exist, as the income elasticity of demand for Vietnamese export products in developed countries remain low, and China - the largest competitor has withdrawn from this segment when the RMB was facing appreciation pressures. If Vietnam knows how to take advantage of the situation, it can engage in appropriate global supply chains in order to boost exports into China, where the number of middle-class people are considerably rising. Businesses competing with importing products also benefit from the appreciation of the RMB, while businesses in non - tradable sectors may also have positive potential in 2011, especially the labor-intensive construction sector, in the context of high infrastructure and real estate development demands. The positive potential of the labor-intensive businesses also supports the labor market in 2011. Recently, there are even signs showing that the labor market is substantially warming up.

[23] ***The report on Business, Labor and Employment review,*** **The Analysis and Forecasting Center of the Vietnam's Academy for Social Science, September 2010.**

[24] **According to the data from the General Statistics Office, the unemployment rate of the people in the working age in urban areas fell from 4.64% in 2009 (Census of Population and Housing on April 1st 2009) to 4.43% in 2010 (Labor and Employment investigation on April 1st 2009)**

POLICY HIGHLIGHTS

Monetary and Fiscal Policies

The Government is determined to reduce the interest rates, but the implementations of monetary and fiscal policies in practice are not entirely consistent with this target. Firstly, the decision to increase capital in commercial banks to at least 3000 billion VND and raise the minimum capital adequacy rate from 8% to 9%- are appropriate measures in the mid and long run, but has led to the reduction of credit supply in the domestic market in the short run, which put pressure to increase borrowing interests on the market. Secondly, the issuance of government bonds and corporate bonds of conglomerates and big companies[25] is competing with commercial banks in raising capital, thus increasing the pressure on deposit rates and lending rates. Thirdly, the credit market has been severely distorted due to the dominance of the administrative regulations as well as speculative activities of Government bonds to benefit from the interest rates difference, which negatively affected the line of credit for the real economic sector[26]. Fourthly, the intention to adjust inflation to 7-8% a year also increases the public expected inflation and thus will put pressure on the market interest rates to a certain extent[27].

The credit market is still tense, efforts to curb down interest rates encounter many difficulties, there is not much room left for interest rate reduction, at a time when inflation expectations as well as interest rates pressure on the foreign exchange market and wages on the labor market continue to rise. The most important ground to reduce interest rates is low inflation. However, as analyzed above, both actual and expected inflation are set to increase. Furthermore, a few factors are continuing to boost expected inflation, especially the pressure on raising wages in the labor market and of the exchange rate on the foreign exchange market. However, adjustments to the 13th Circular made by introducing the 19th Circular, in which there are amendments and supplements relating to the determination of mobilized capital of credit lending organizations to individuals and economic agencies, have improved the flows in the credit market.

The foreign exchange market: The prolonged trade deficits at high level together with the thin foreign exchange reserves of the State Bank have increased pressures on the exchange rate. Recently (on August 18th, 2010), the State Bank has depreciated the VND against the USD. This is an appropriate adjustment to improve the demand and supply balance on the foreign exchange market given that the VND is still considered to be over-valued compared to the USD and trade and current account deficit is still significant (both in absolute values and in GDP). However, this adjust-

[25] According to Ms. Duong Thu Huong, General Secretary of Vietnam's Banking Union, dozens of groups and large enterprises have recently issued 10000 billion corporate bonds with the average interest rate of 14- 16%/ year, putting substantial pressure on the capital market.

[26] The government bonds interest rates remain high while the main buyers are commercial banks, who subsequently use these bonds to discount at the central bank, making credit supply though increased considerably, only runs between the commercial banks and the State bank and not to production, thus do not lead to the reduction of interest rates.

[27] The next side effect is that the market will not know when the target will change because the tradeoff curve between inflation and growth becomes steeper. This means that 1% of economic growth will suffer a higher level of inflation (greater instability) as compared to when the market believes in the effectiveness and consistency of the policies.

ment was not consistent with the declaration of the State Bank to stabilize the foreign exchange rate a fortnight before. Thus, this has upset the market's trust about the feasibility of the determinations, leading to the ineffectiveness of the monetary policy in general and the exchange rate policy adjustments in particular. Practically, immediately after the adjustments, foreign exchange transactions still persist at the ceiling price. This illustrates the level of "heat" in this market.

In addition, as mentioned in the labor - employment section, both the workers' jobs and incomes have been vastly improved and the labor market is currently heating up. The pressure to increase wage in 2011 will continue when the minimum wage is changed from 730.000VND/ month to 830.000/month, starting from May 1st, 2011. In that context, reducing interest rates through loose monetary policies will not only hamper growth but also generate high inflation[28].

The analysis above can imply that if loose monetary policy is used to cut down interest rates, the pressure on the exchange rate will grow, which leads the public to expect the VND to continue to depreciate, thus immensely affecting the market's trust in stabilizing the exchange rate. Reversely, maintaining the nominal interest rate at the appropriate level will help contain credit growth which is already high and sustain price. Hence, this will recover the trust of the market and investors in the VND, and enhance the ability to stabilize the exchange rate and the foreign exchange market. Not much room for reduction of interest rate is left.

So, given the signs of the labor and foreign exchange markets heating up and the high level of credit growth[29], it is obvious that interest rates cannot be reduced by loosening the monetary policy, but by appropriate measures, in a way not to raise expected inflation

[28] In professional terms, the labor market heated up due to the supply curve is already steep and thus increasing demand will lead to higher prices while not producing much output.

[29] According to the Governor of the State bank, up to September 27th 2010, credit growth reached 19.27% and so there is not much room left while credit demand in the fourth quarter is often the highest of the year.

Reform of State - Owned Enterprises (SOEs) State-Owned

In general, the effectiveness in use of the investment capital in the SOEs sector is not in keeping up with the privileges received. Solving this problem is a mid and long run matter; however, it is considerably affecting the economy in the short run. The issuance of bonds by the State economic to the international market while not using the investment effectively has significantly reduced the confidence and efficiency in using borrowed fund but also in the Vietnamese government's ability to repay debt. This in turn makes it more difficult to raise capital in the international market, and its interest rates also rise[30].

Soft loans for economic conglomerates and large corporations along with the issuance of corporate bonds in great amount have extremely deteriorated capital supply for other businesses. If the SOEs are bailed out either officially or by default, commercial banks thus will not pay too much attention to the efficiency and will engage in moral hazards. In the end, this will bring more risks to the financial system in particular and the entire economic system as a whole.

The Government is currently handling the "Vinashin" incident aggressively. However, it is important to learn from this lesson and promptly establish a mechanism to manage, control and monitor the SOEs to prevent similar problems from reoccurring.

[30] The cost of borrowing capital does not only depend on high interest rates but also the negotiation time to extend the lending time, the strict conditions needed to receive the loans, etc

POLICY RECOMMENDATIONS

The above analysis illustrated the general picture of Vietnam's economy in the third quarter as well as the first 9 months of 2010: the economy has basically recovered but brought along potential macroeconomic instabilities. In that context, policy orientation for the upcoming period should emphasize on the following points:

First, in the short and mid - term, the Government needs to give first-ranked priority to macroeconomic stabilization, focusing on 3 fundamental macro targets: (i) To curb inflation down to 7-8% in 2010 (and 6.5% in 2011); (ii) To reduce budget deficit to below 6% GDP in 2010 (and aiming at 5 to 5.5% GDP in 2011); and (iii) To reduce current account deficit and especially trade deficit (below 20% export turnover), in the direction of bringing the targets back to the according level of 2006 - the period before the economy suffered from severe macroeconomic shocks.

Secondly, as for the current heated issue: while high interest rate is negatively affecting businesses, the reduction of short to medium term interest rate should be carried out through lowering expected inflation with appropriate measures instead of loosening monetary policy. This can be specified by, (i) Cutting down on the issuance of Government bonds as well as corporate bonds by reviewing, and eliminating ineffective and not urgent investment projects; (ii) Reducing the administrative procedures that distort the credit market; (iii) Increasing the use of open market operation instruments to open up capital flows in the inter - banking monetary market.

Thirdly, fiscal policy needs to support monetary policy better to achieve the goal of curbing inflation, reducing trade and current account deficit, thus supporting businesses in the economy with access to more appropriate interest rates, helping to cut down borrowing costs.

Fourth, it is essential to have a more flexible exchange rate policy by regularly adjusting the official rate as well as considering expanding the fluctuation range to better support fiscal and monetary policies in reducing trade and current account deficits, making the economy absorb and resist external shocks.

Fifth, it is important to enhance the consistency in issuance and implementation of policies, and improve information transparency to gain market confidence, thus helping reduce the cost of trade- off between economic growth and inflation that tends to increase in recent years.

Sixth, in the medium to long run, as the economy is well back on track and given that the labor market has fully recovered and is warming up, this is the appropriate time to fasten the economic restructuring process without having to overly worry about the negative effects to employment and social security. It is necessary to boldly remove inefficient and environment polluting businesses, in order to transfer the resources to more efficient ones. To step up the reform of SOEs in general and restructuring of State conglomerates in particular by strictly applying the hard budget constraints and market disciplines, by increasing monitoring to ensure that these businesses meet the target of upgrading and catching up with international technological standards, remove irrational favors and preferences in access to and usage of resources (including credit capital, land and natural resources). Creation of a level playing field among different business types should be considered as one of the primary contents of the economic restructuring process and thus needs to be pushed further to strengthen the international competitiveness of Vietnamese businesses and help the economy avoid being left behind.

Project "Support for enhancing capacity in advising, examining and overseeing macroeconomic policies"
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