

Review Article

The Impact of the Covid-19 Pandemic on Vietnam's Economic Growth

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Abstract - *The paper aims to research and evaluate the impact of the Covid - 19 epidemics on Vietnam's economy. On the basis of collected data and use data analysis, data compare methods, the results of the study showed that the Covid - 19 epidemics had a serious impact on Vietnam's growth. Facing this situation, the macroeconomic policies of the Government contributed to overcoming the impact of epidemic diseases, and positive results have been achieved.*

Keywords - *The Covid - 19 epidemics, Vietnam, Economic growth, GDP.*

I. INTRODUCTION

As of December 31, 2020, Vietnam had 1,465 cases of COVID-19 infection. As of March 25, 2021, Vietnam had 2,576 cases, of which 272 were under treatment, and 2,265 were cured, and 35 deaths. The total number of infections in the world is 109,469,508 million cases, 81,563,176 cured cases and 2,413,158 deaths [1]. Pandemic Covid - 19, with the high possibility of infection in the community, has become a threat to human health and life. Facing this situation, Vietnam has issued regulations on disease prevention such as limiting the concentration of people, for example, Directive No. 16 / CT-TTg on the implementation of urgent measures to prevent and control the epidemic COVID-19. Accordingly, implementing social isolation within 15 days from 0 o'clock on April 1, 2020, nationwide [2].

The epidemic is complicated and is able to spread on a large scale, having serious impacts on all socio-economic aspects of Vietnam. In 2020, Vietnam's economic growth rate was 2.91% (It is 3.68% in the first quarter; 0.39% in the second quarter; 2.69% in the third quarter; 4.48% in the fourth quarter). This is the lowest increase of the years in the period 2011-2020 [3]. Therefore, the study and assessment of the impact of epidemics on the Vietnamese economy are very necessary.

II. METHOD

Methods of data collection: Secondary data collected from an information site on acute respiratory infections Covid - 19 of the Ministry of Health of Vietnam, Instructions of the Government of Vietnam about regulations and measures to prevent and prevent epidemics, Report on the socio-economic situation in 2019 and 2020 of the General Statistics Office.

Methods of processing and analyzing data: Data processing methods used are Synthesis, statistics, comparative methods. Data collected is synthesized, statistical, and illustrated through tables and graphs. From there, the results of data on the evolution of the Covid-19 epidemic in Vietnam and around the world, measures are taken by the government to prevent the epidemic, the government's policies are aggregated, analysis; Data on Vietnam's economic situation is synthesized and compared with the pre-epidemic period to analyze and evaluate the impact of the epidemic.

III. RESULTS

All paragraphs must be indented. All paragraphs must be justified, i.e., both left-justified and right-justified.

A. *The Covid epidemic - 19 in Vietnam*

According to Worldometers, the Covid-19 pandemic appeared in 218 countries and regions in 2020. There are 82.4 million people infected, 1.8 million people died, and 58 million made a full recovery.

In Vietnam, the Covid -19 epidemic progression will go through six stages in 2020. The milestones and the number of cases are shown in Table 3.1. The first cases traced and isolated appeared from January 23, 2020, to March 19, 2020. As of March 19, the total number of patients in Vietnam increased to 85 cases. At the end of March, community infection cases appeared. On the afternoon of March 20, the Ministry of Health announced that the 86th and 87th COVID-19 patients were 2 female nurses at Bach Mai



Hospital (Hanoi) with an epidemiological history that did not show the source of transmission. Vietnam suspended entry for all foreigners from 0:00 on March 22 and implemented centralized isolation for 14 days for all entry cases. From 0:00 on April 1, Vietnam practiced social quarantine for 15 days. On the same day, Prime Minister Nguyen Xuan Phuc announced the epidemic COVID-19 nationwide. Control measures had left Viet Nam 99 days of infection-free in the community until July 25, when the Ministry of Health announced the 416th case in Da Nang but failed to trace the source. New infections appear. On July 28, Da Nang City started to implement social quarantine. From

July 31st, Vietnam began to confirm the first deaths. From September 7, the disease continued to be well controlled, and the operations of planes, trains, and cars going to Da Nang were restored. Da Nang loosened social isolation from September 11. On September 24, the Prime Minister issued a telegram to request ministries, branches, and localities to continue to prevent and combat COVID-19 epidemics in order to maintain their achievements of epidemic prevention and control firmly, creating a basis for economic recovery and development and protecting of people's health. In November and December 2020, some cases appeared in the community. However, the situation was quickly controlled.

Table 1. Evolution of Covid epidemic in Vietnam in 2020

No.	Period	Description	Coronavirus Cases	Recovered cases	Deaths
1	23/1-25/2/2020	Cases have a history of moving through China	16	16	0
2	6-19/3/2020	Viruses spread globally, cases from other countries but still "easy" traceability and quarantine.	69	69	0
3	20/3-21/4/2020	Cases spread in the community. The source of the infection has not been fully traced.	183	183	0
4	22/4-24/7/2020	The disease is controlled, the epidemic is "longer and more radical," and socio-economic development is also developed.	145	145	0
5	25/7-6/9/2020	Discovering new infections spreading in the community, re-launching social isolation measures in some localities	636	601	35
6	7/9/2020-27/1/2021	The disease is controlled, the anti-epidemic is "longer and more radical," Practicing social distancing.	502	502	0

B. Results of Vietnam's economic growth in 2020

GDP in 2020 increased by 2.91% (in the first quarter, the second quarter, the third quarter, and the fourth quarter increased by 3.68%; 0.39%; 2.69%; 4.48%, respectively). In the general growth rate of the whole economy, the agriculture, forestry, and fishery sector increased by 2.68%, contributed 13.5% to the growth rate of the total added value of the whole economy; industry and construction increased by 3.98%, contributed 53%; the service sector increased by 2.34%, contributed 33.5%.

In the agriculture, forestry, and fishery sector, due to the production of several perennial crops, major livestock products, and shrimp in 2020 increased fairly, so that the growth rate of this area is higher in 2019. Of which, the agricultural sector increased by 2.55%, only lower than the growth rate of 2011, 2012, and 2018 in the period 2011-

2020, contributed 0.29 percentage points to the growth rate of the total value-added of the whole economy; the forestry sector increased by 2.82% but accounted for a low proportion, so it only contributed 0.02 percentage points; the fishery sector increased by 3.08%, higher than 2.80% in 2015 and 2016 for the period 2011-2020, contributed 0.1 percentage points.

In the industry and construction sector, the industry in 2020 increased by 3.36% over the previous year, contributed 1.12 percentage points to the growth rate of the total added value of the whole economy. Of which, the processing and manufacturing industry played a key role in driving the growth of the economy with an increase of 5.82%, contributed 1.25 percentage points; electricity production and distribution increased by 3.92%, contributed 0.19 percentage

points; water supply, waste, and wastewater management and treatment rose by 5.51% and contributed 0.04 percentage points; mining decreased by 5.62% (due to a decrease of 12.6% in crude oil production and an 11.5% decrease in natural gas), causing a reduction of 0.36 percentage points in the overall growth rate. The construction industry increased by 6.76%, higher than the growth rate of 2011, 2012, and 2013 in the period 2011-2020, contributed 0.5 percentage points.

The Covid-19 pandemic evolved too complicated, seriously affecting commercial and service activities. The service sector in 2020 reached the lowest growth rate of the period 2011-2020. Contribution of some market service to the growth rate of total added value in 2020 was as follows: Wholesale and retail increased by 5.53% over the previous year, contributed 0.61 points percent; finance, banking, and insurance increased by 6.87%, contributed 0.46 percentage points; transportation and warehousing down 1.88%, caused a decrease of 0.06 percentage points; the accommodation and catering services sector down 14.68%, caused a decrease of 0.62 percentage points.

Regarding the economic structure in 2020, the agriculture, forestry, and fishery sector accounted for 14.85%; industry and construction accounted for 33.72%; the service sector accounted for 41.63%; Product tax minus product subsidies accounted for 9.8% (The corresponding structure in 2019 was: 13.96%; 34.49%; 41.64%; 9.91%). Regarding the use of GDP in 2020, final consumption, asset accumulation, exports of goods and services, imports of goods and services respectively rose by 1.06%; 4.12%; 4.97%; 3.33%.

IV. DISCUSSION AND CONCLUSION

In general, due to the COVID-19 epidemic, the demand of the economy (consumption, investment, export) is reduced, thereby reducing production activities and economic growth. Economic growth did not reach the set target. Regarding the growth target, on November 11, 2019, the National Assembly voted to approve the Resolution on the socio-economic development plan in 2020; according to the voting results, the GDP growth target for 2020 is about 6.8%. However, due to the impact of the Covid - 19 epidemic, the target of economic growth was adjusted down to 4.5% on May 19, 2020. The Government sets a higher striving rate of 5.4% in case the world situation is favorable, the disease is controlled well, the international market recovers.

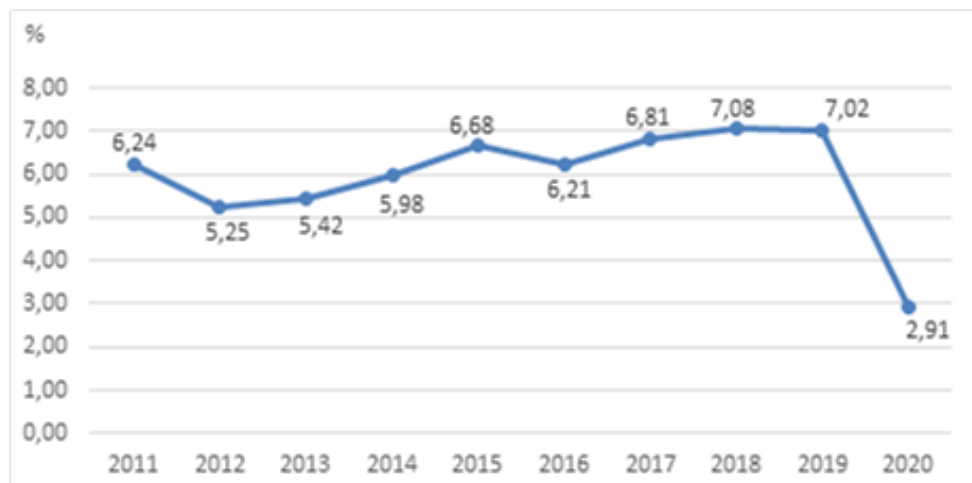


Fig. 1 Vietnam's economic growth rate in the period 2011-2020

However, due to the impact of the Covid-19 epidemic, Vietnam's economic growth rate in 2020 only reached 2.91%, the lowest growth rate in the period 2015-2020. Vietnam didn't reach its GDP growth target in 2020. Although all three sectors have positive growth, the growth rate of the industry and construction sector and the service sector has decreased. Only the agricultural sector has a higher growth rate than in 2019. Specifically, the growth of the service sector reached 2.34% in 2020, down 4.96% compared to the growth rate of 2019. Some industries have negative growth, such as transportation and warehousing

industry decreased 1.88%, the accommodation and catering services industry decreased by 14.68%; The industry and construction sector increased by 3.98%, down 4.88% compared to the growth of 2019; The agriculture, forestry and fishery sector increased by 2.68%, this increase was higher than the growth rate of 2019 (2.01%) [4]. Thus, the service sector was most affected by the Covid pandemic - 19, followed by the industry and construction sector, and lastly by the agriculture, forestry, and fishery sector. However, in the context of the COVID-19 epidemic that negatively affects all socio-economic sectors, thanks to the right policy

solutions of the Government, Vietnam has had great success in reviving and developing economic development. By 2020, Vietnam is one of the countries with the highest growth in the world. In the context of a pandemic, the State has quickly

taken drastic measures, first to limit the spread of epidemics and then to economic development. The solutions have proved to be initially successful in controlling the epidemic and recovering and developing socio-economic.

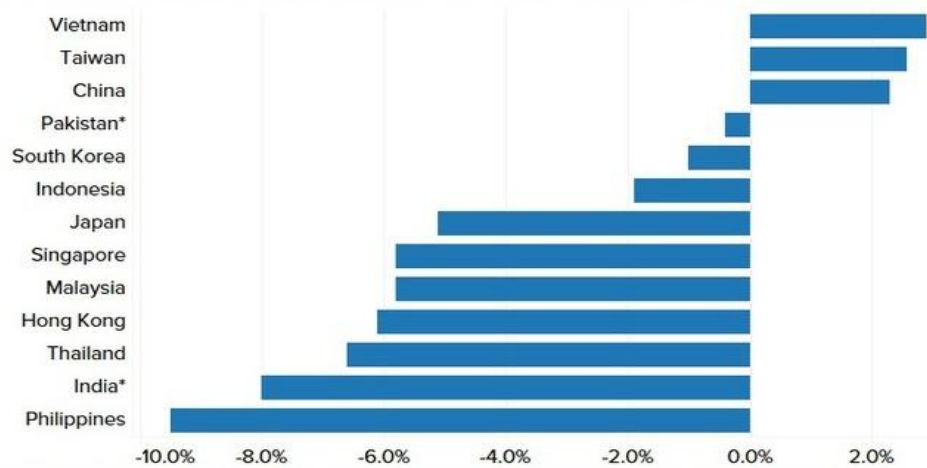


Fig. 2 Economic growth rate of some countries in Asia in 2020

Besides the growth results achieved in 2020, the Vietnamese economy still has many problems that need to be resolved. With the deeper international integration, all changes in the world economy affect our country's socio-economic fields. Although the Covid-19 translation was controlled in Vietnam, still complicated in the world, production, supply and circulation activities, aviation, tourism, labor, and employment were delayed and discredited. In addition, export growth has not yet ensured its sustainability, labor productivity remains low... Therefore, Vietnam needs to focus on the dual goal of "both effective disease prevention, and taking advantage of good opportunities, efforts to recover and develop socio-economic in a new normal state" and maximizing potentials and advantages to reach the growth target of 2021.

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