

## **Vietnam Inflation at 27.9%**

September 22, 2008

Vietnam said its inflation rate reached 27.9% in September compared to a year ago, according to official figures released Sept. 22.

In September alone, the nation's consumer prices index increased by only 0.18% from August and up by 21.9% since the start of the year, said the General Statistics Office.

Food prices were up by 42.7% year-on-year. Beverage and tobacco costs increased by 12.9% while prices for housing and construction materials were up by 26.1%.

Vietnam has been battered by double-digit inflation since the start of this year, although it was once hailed as a newly emerged economic tiger in Asia.

The government has changed its focus from obtaining high economic growth to containing inflation to ensure macro-economic stability and social security, said the official website of the communist cabinet.

The Asian Development Bank said in a recent regional economic update that Vietnam was targeting a lower rate of 6% next year, as compared to the projected 2008 growth of 6.5%. This will allow the country to be better prepared to resume strong economic growth in 2010-2011.

To better control the economy, Vietnamese authorities had introduced eight groups of solutions, including the hiking of interest rates and tightening credit control to stem inflation.

**Source: Agence France-Presse**