



# Economy-Wide Effects of Remittances

## A Computable General Equilibrium Assessment from Vietnam

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This paper is part of my PhD research.

- Recently the inflow of overseas remittances increases rapidly in Vietnam and becomes a significant one comparable with that of FDI as its value reached around 10% of GDP in 2005. This paper is a first attempt to assess the effects of the remittances on the Vietnamese economy using (static) computable general equilibrium (CGE) modeling.
- A Social Accounting Matrix (SAM) derived from the Vietnamese SAM 2000 will be used as the base year data. Since I hypothesize that overseas remittances might be invested to small-scale businesses, I re-aggregated the SAM in such a way allowing me to focus in agricultural and small-scale sectors.
- Simulations results are expected to show that the remittances play an important role in improving Vietnam's economic capacity and welfare, and with an increase in overseas remittances, some small-production sectors would be expanded.