

A time travel amidst a recession

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Hanoi, January 18, 2021

"Those old stories, as old as mountains, why tell them now?"

– *Hoàng Đạo Thúy* –

Since I was born in 1998, three major international economic crises had hit: the Asian financial crisis in 1997-1999, the Dotcom bubble in the early 2000s, and the 2007-2008 financial crisis. And now, the world is undergoing another economic downturn due to the spread of the COVID-19 pandemic.

The only one that I could have a grasp of is the last, which happened largely due to the pandemic and has not yet lasted. About the others, I was just too young to see the turbulence that got gray hair from adults.

But I still remembered when my father bragged about what would be our new home, just a few years before the global financial crisis. He pointed at an empty piece of land, telling his children that it would turn into a large building one day. Looking at the building contractor's advertisement, I felt nothing but impressed with how big the project was. Over ten years have passed, the building is still in progress. The building contractor was on the edge of bankruptcy when the financial crisis hit and still does not have enough money to finish the project. Sometimes when I came across the estate that should have been a huge complex, I still saw some people gathering in front of it, asking for giving back their property.

Although my parents made a narrow escape from the half-dead project, the financial crisis is imprinted into my parents' memories. And if they don't tell me, I don't think I could connect the unfinished complex to the financial crisis and the housing fever in the 2000s.

Despite the lessons from the late 2000s, it seems that love for houses never ends in Vietnam. Apparently, the fever returns every five or six years [1]. And now, when a recession occurred due to COVID-19, housing price is on the rise, an increase of 10% to 15% in 2021 is forecasted [2]. We have yet known whether it is a bubble since the regulation has changed, and people are more risk-averse. Yet, a second thought on investment in real estate is definitely a good recommendation at a time like this.

Doanh nghiệp bất động sản chuẩn bị gì cho năm 2021?

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2021 được xem là năm nhiều triển vọng cho thị trường BĐS với lực cung tiếp tục tăng mạnh, giá nhà đất được dự báo sẽ tăng 10-15%. Những dự báo tươi sáng về thị trường là đòn bẩy cho các doanh nghiệp tự tin đặt ra kế hoạch lớn cho giai đoạn sắp tới.

Photo from Cafef.vn; URL: <https://cafef.vn/doanh-nghiep-bat-dong-san-chuan-bi-gi-cho-nam-2021-20210113182032317.chn>

George Santayana said: "Those who cannot remember the past are condemned to repeat it." Indeed, the financial crisis in 2007-2008 is a lesson learned the hard way, but mostly by adults of the 2000s. For those about the age with me, just entering the

economy, young and hungry, the memory about the previous crisis may not be so vivid. Hence, in the time when chance and challenge intertwine, it is important to take a look back to the past and learn to avoid the mistake of previous Vietnamese generations. Yet, books on the economic history of Vietnam are few [3]. The most recent one is *Kinh tế Việt Nam: Thăng trầm và đột phá* by Phạm Minh Chính and Vương Quân Hoàng, focusing on the *Đổi mới* and post-*Đổi mới* era [1,4]. By the time I knew about its existence, the book had already become a classic one on the Vietnamese economy. For me, it connects the dots between the stories of my parents, who witnessed how the business world bloomed and withered in the 1990s and 2000s, and mine.

As 2021 has just begun, we are expecting the Lunar New Year soon. The XIII Party Congress is around the corner, bringing full of hope for a bright future. For me, it is just the right time to visit the past, to be armed for new challenges and new achievements in the future.

References

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