

MACRO UPDATE
February 2025

PUBLIC INVESTMENT ACCELERATES

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KEY TAKEAWAYS

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SPOTLIGHT

After the Lunar New Year holiday, Vietnam's economy regained its growth momentum with many positive signals.

- 1. Industrial production in February 2025 increased by 17.2% YoY**, with the manufacturing and processing sector surging by 20% YoY.
 - 2. Registered FDI in 2M2025 rose by 57.7% YoY**, reflecting strong investor confidence, **while FDI disbursement remained stable, up 5.4% YoY**.
 - 3. Domestic consumption continued to recover**, with total retail sales of goods and consumer services **increasing by 9.4% YoY in 2M2025**.
 - 4. Trade activities rebounded in February**, with **imports soaring by 40% YoY**. Notably, **imports of manufacturing materials** – a key indicator of domestic manufacturing demand – jumped **36.7% YoY**, signaling that industrial production in Vietnam will likely remain vibrant in the coming months.
 - 5. After the peak shopping demand** during Tet, **inflation eased**, with **the 2M average CPI rising by 3.27% YoY**. However, inflation in February showed signs of rebounding, increasing **0.34% MoM**.
 - 6. Public investment disbursement surged by 41.1% YoY in February 2025**, completing **8.5% of the annual plan**, demonstrating the government's strong commitment to accelerating public investment to drive economic growth.
- **Comment:** Vietnam's economy continues its strong recovery in 2025, fueled by **industrial production growth, domestic consumption revival, and increased public investment**. If this trend persists, **Vietnam could achieve high economic growth**, particularly with **continued FDI inflows into manufacturing and technology**, alongside efforts to **balance trade with the U.S. and control inflation**. Amid increasing global trade uncertainties, **boosting public investment and domestic consumption strengthens the economy's internal resilience, supporting the government's goal of achieving 8% growth in 2025**.

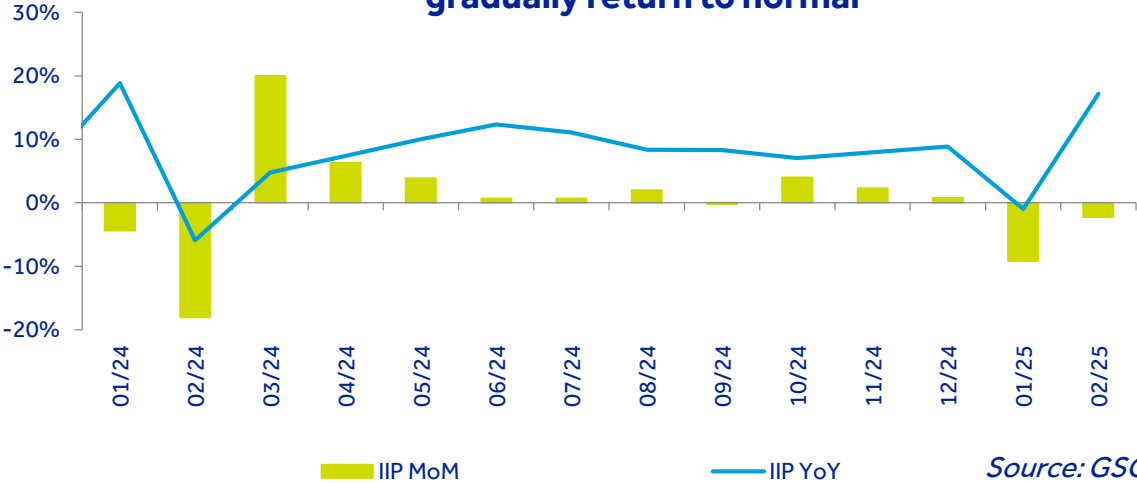
MACRO INDICATORS

Monthly Data	Feb-2025	MoM	YoY	YTD
Industrial Production (YoY) (IIP)	-	-2,2%	+17.2%	+7,2%
Retail Sales of Goods and Services (Trillion VND)	562	-2,5%	+9,4%	+9,4%
Consumer Price Index	-	+0,34%	+2,91%	+3,27%
Export Value (Bn USD)	31,1	-6,2%	+25,7%	+8,4%
Import Value (Bn USD)	32,7	+8,4%	+40,0%	+15,9%
Trade Balance (Bn USD)	-1,6	-	-	1,5
Disbursed FDI (Bn USD)	1,4	-4,6%	+9,1%	+5,4%
Registered FDI exl Cap. Cont.(Bn USD)	2,4	-41,2%	+31,7%	+57,7%
Disbursement of public investment (Tn VND, YTD)	37,9	+7,6%	+41,1%	+21,7%
PMI	49,2	-	-	-
Refinancing rate	4,5%	+0 đpt	+0 đpt	+0 đpt
OMO Interest rate (Monthly Avg.)	4,0%	+0 đpt	+0 đpt	+0 đpt
USDVND Exchange rate*	25.690	+1.5%	+3.4%	+0.5%

*Ask rate by commercial banks 10/03/2025

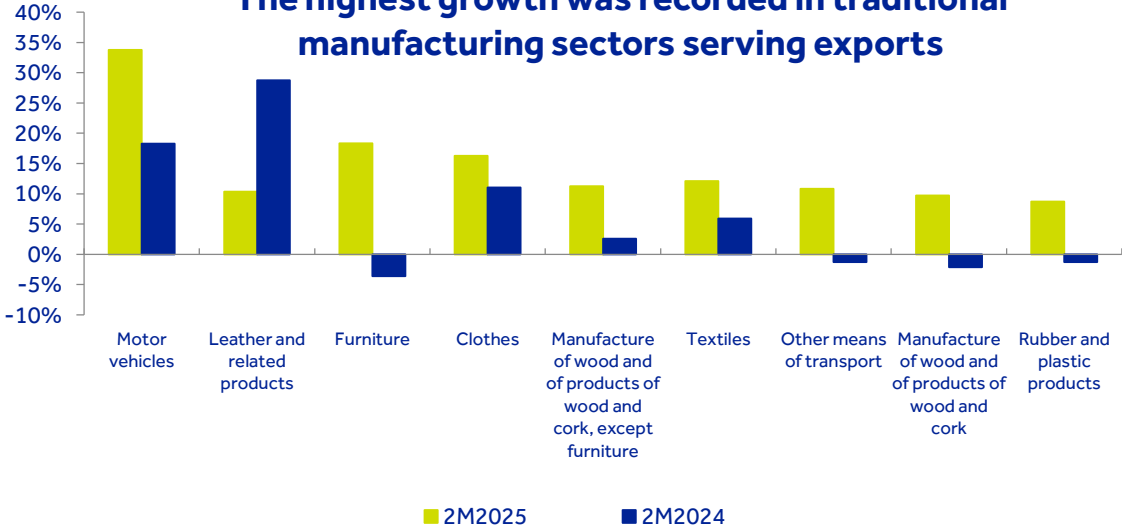
After Tet, manufacturing activities gradually return to normal

After the Lunar New Year, manufacturing activities gradually return to normal



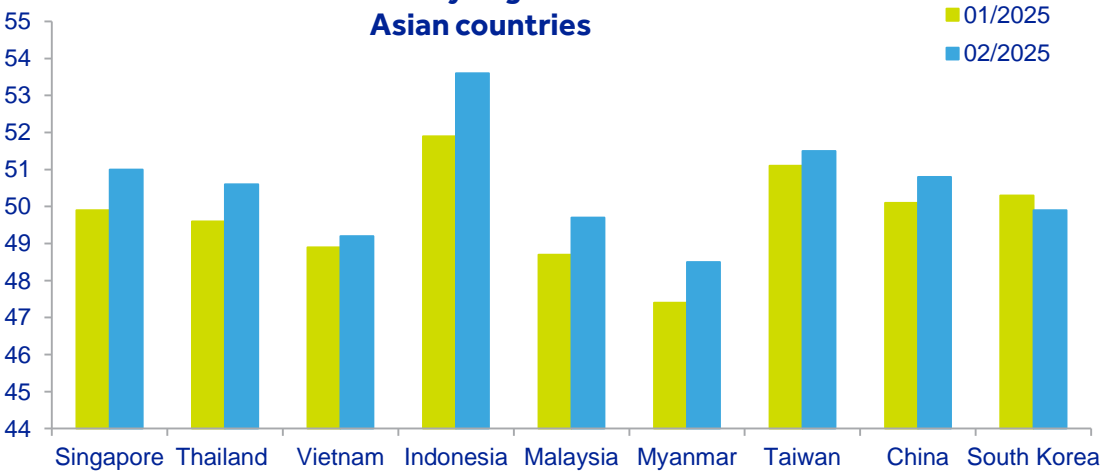
Source: GSO

The highest growth was recorded in traditional manufacturing sectors serving exports



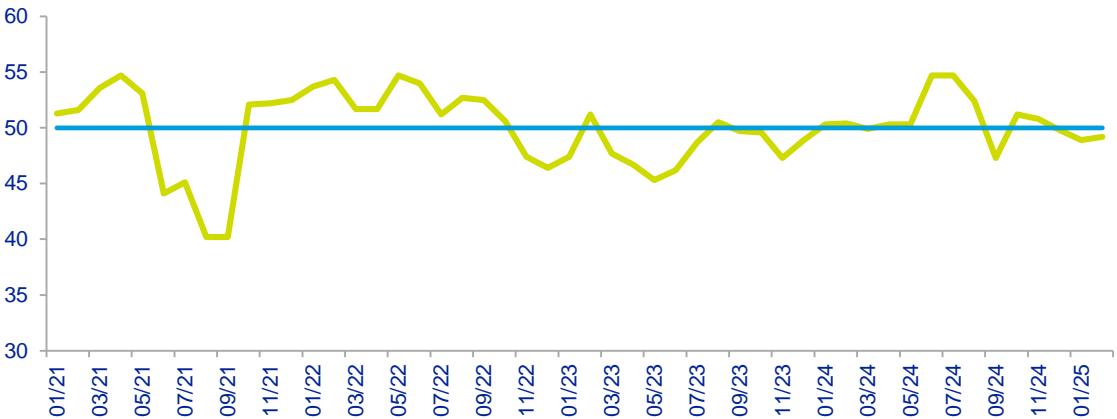
Source: GSO

Trend of Vietnam PMI mostly aligns with PMI trends of other Asian countries



Source: S&P Global

PMI Vietnam

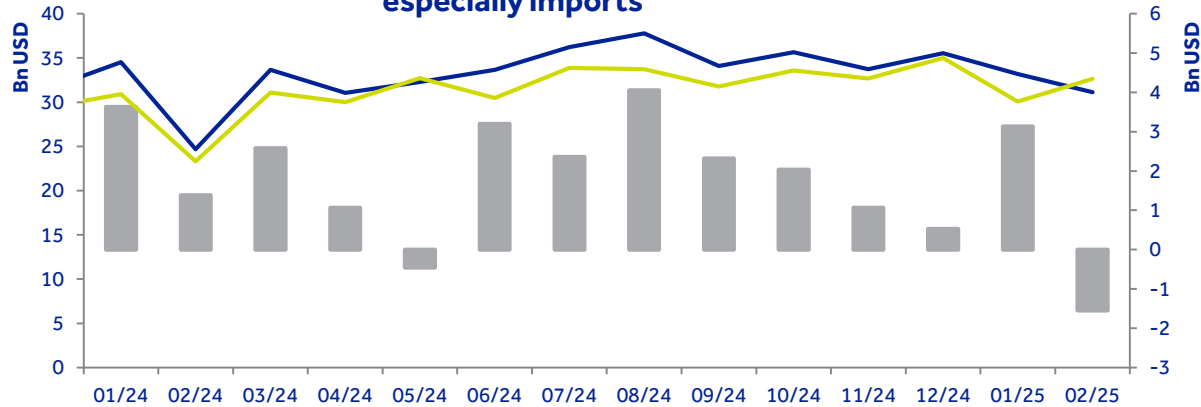


Source: S&P Global

Imports surged, indicating rising production demand. Registered FDI continue its strong growth

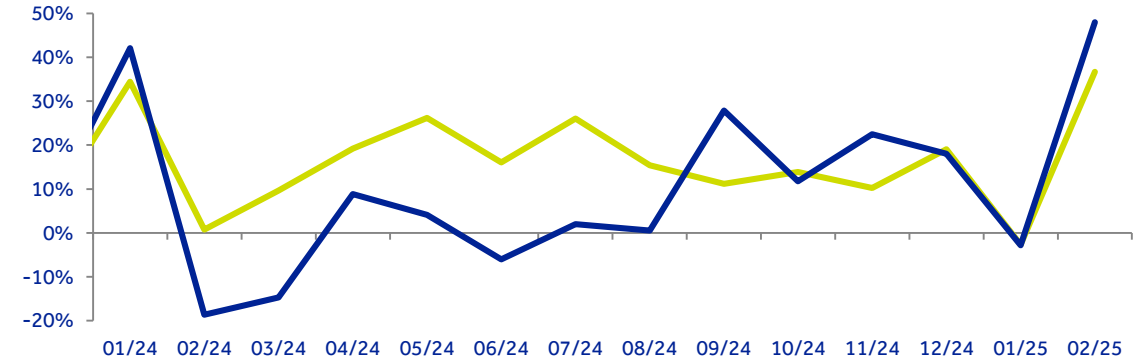
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Trade activities rebounded after the Lunar New Year, especially imports



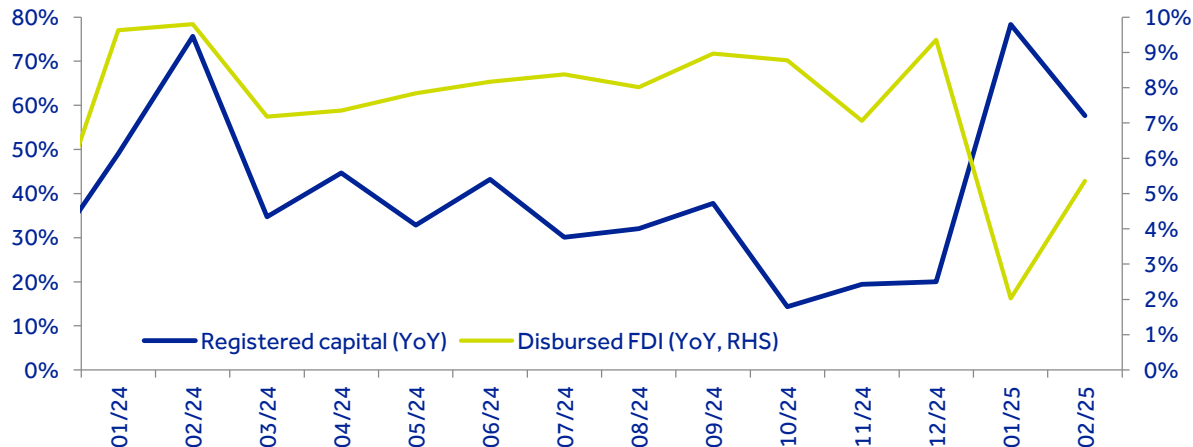
Net Export/(Import)(RHS) Export Import Source: GSO & Custom VN

The strong increase in raw material imports, signals growing manufacturing production needs



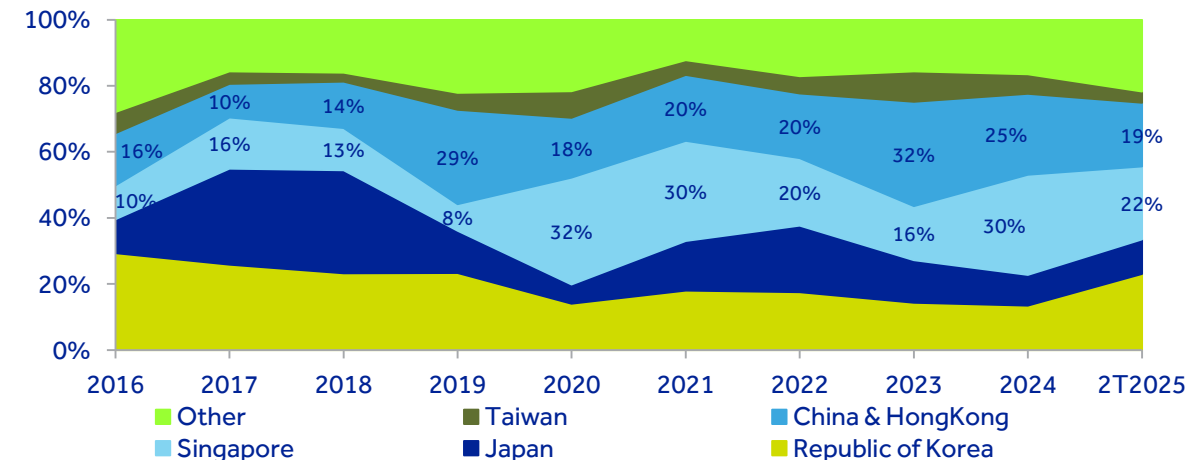
Manufacturing materials Consumer goods Source: GSO & Custom VN

Registered FDI continue its strong growth



Source: MPI

FDI by Major Countries

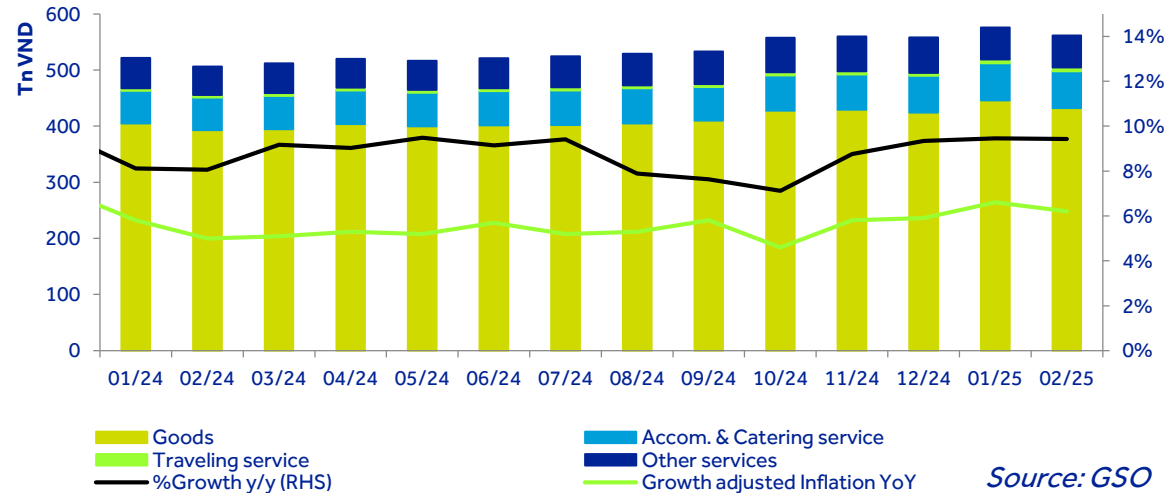


Source: MPI

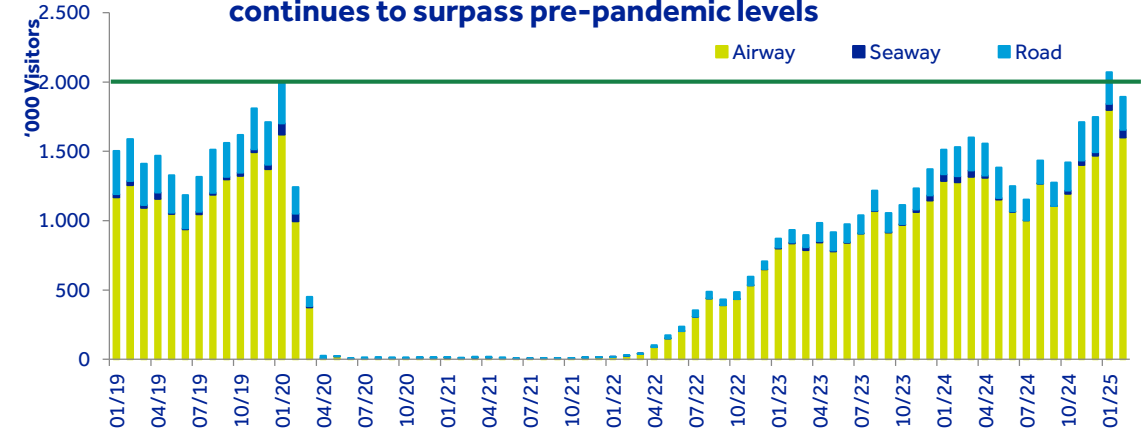
Domestic consumption continues to recover while inflation gradually cools down after the Lunar New Year

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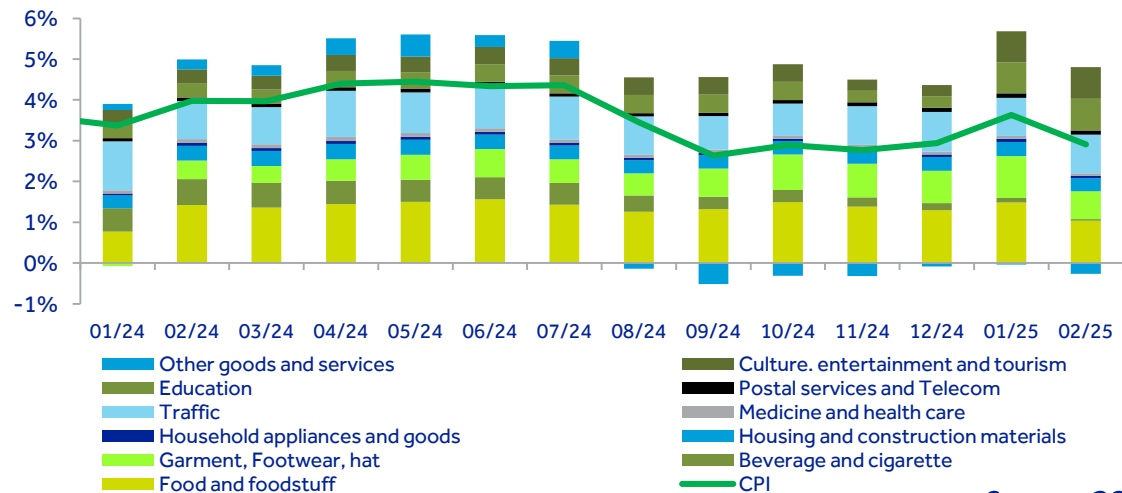
Total retail sales of goods and services continue to rebound



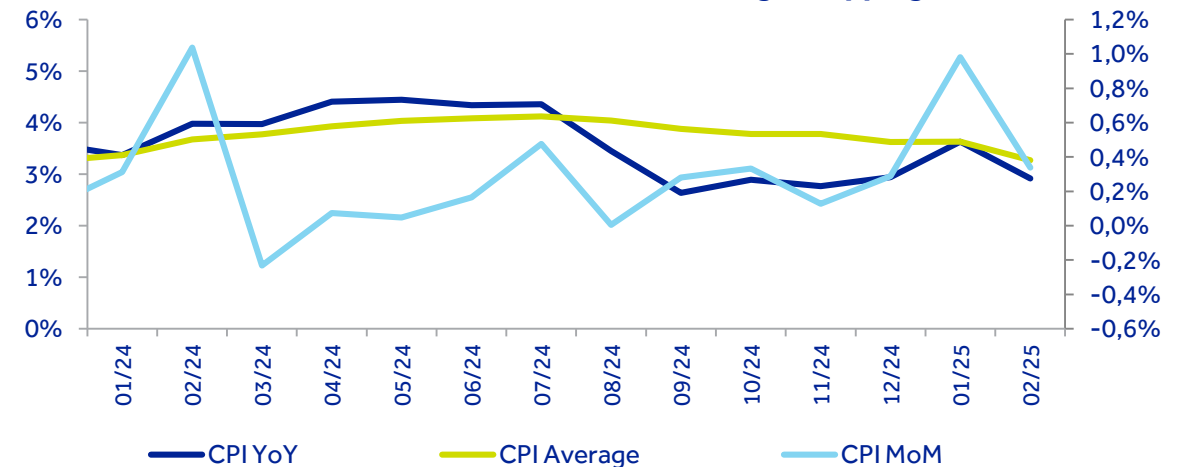
The number of international visitors to Vietnam continues to surpass pre-pandemic levels



Inflation eases after Lunar New Year



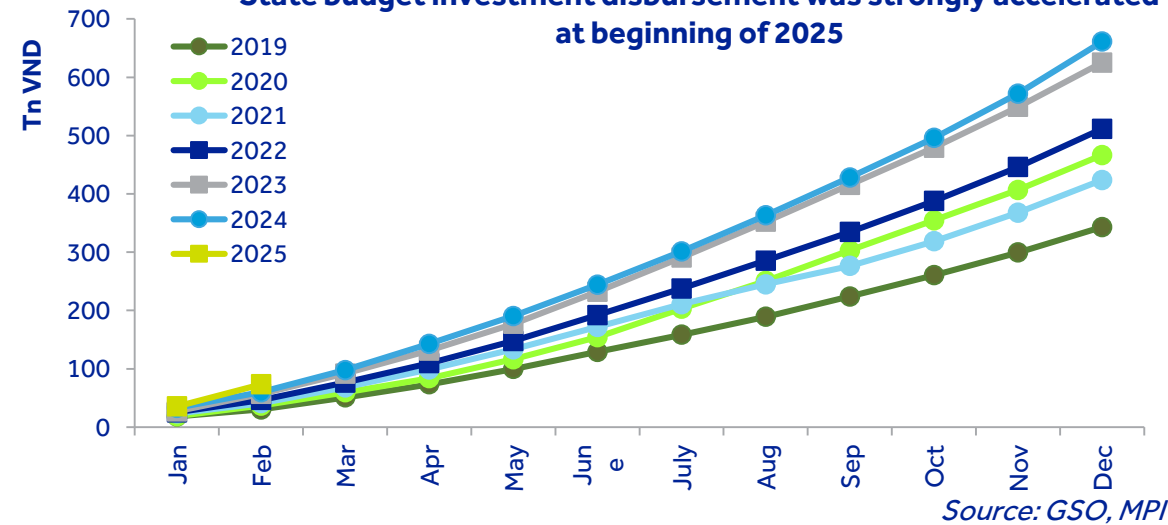
Inflation eases, with the two-month average dropping to 3.27%



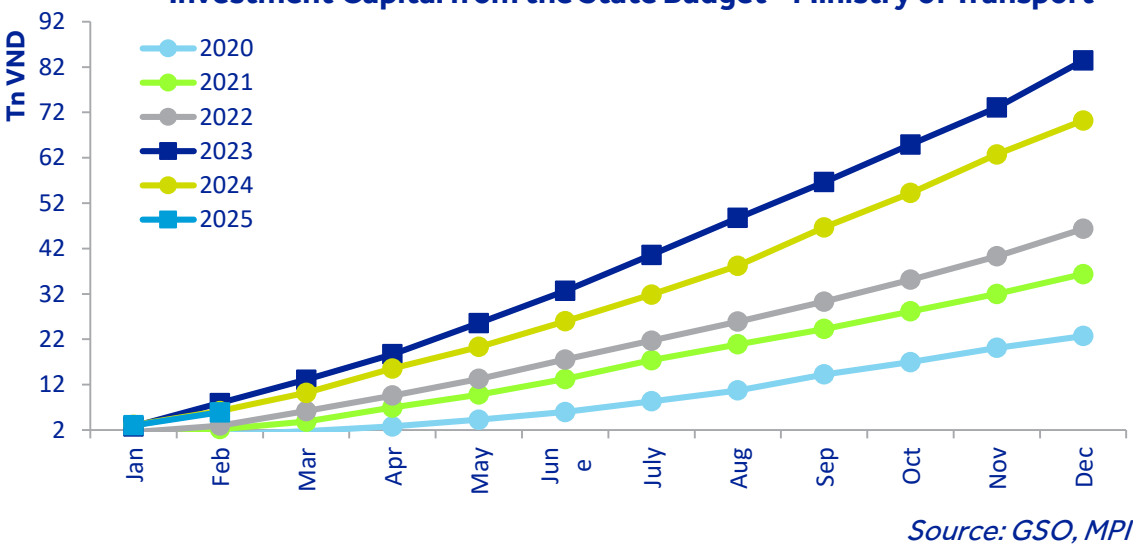
Public investment disbursement continues to be accelerated

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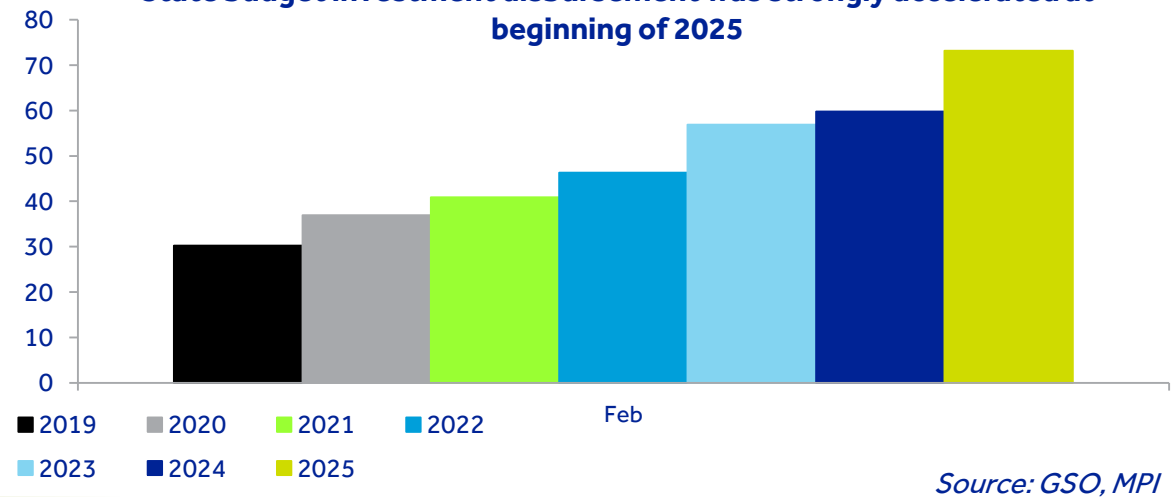
State budget investment disbursement was strongly accelerated at beginning of 2025



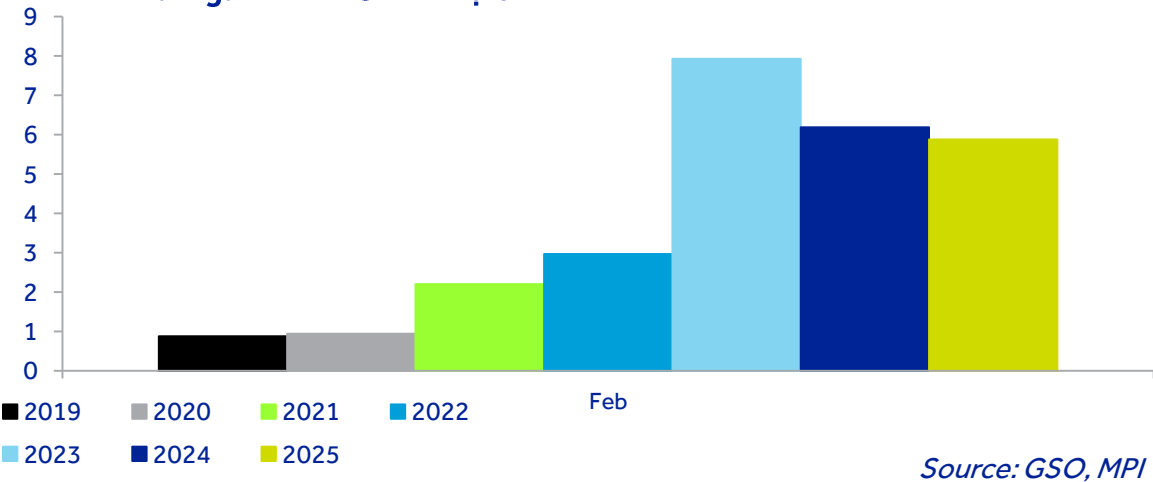
Investment Capital from the State Budget - Ministry of Transport



State budget investment disbursement was strongly accelerated at beginning of 2025



Giải ngân VĐT NSNN – Bộ GTVT



VIETNAM-KEY MACRO INDICATORS

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Dữ liệu hàng tháng	Jan-24	Feb-24	Mar-24	Apr-24	May-24	Jun-24	Jul-24	Aug-24	Sep-24	Oct-24	Nov-24	Dec-24	Jan-25	Feb-25
Industrial Production (YoY)	18.9%	-6.8%	4.8%	7.4%	10.0%	12.4%	11.1%	8.4%	8.3%	7.1%	8.0%	8.8%	-1.0%	17.2%
Purchasing Managers Index	50.3	50.4	49.9	50.3	50.3	54.7	54.7	52.4	47.3	51.2	50.8	49.8	48.9	49.2
Retail Sales (YoY)	8.1%	8.1%	9.2%	9.0%	9.5%	9.1%	9.4%	7.9%	7.6%	7.1%	8.8%	9.3%	9.5%	9.4%
Core CPI (YoY)	2.7%	3.0%	2.8%	2.8%	2.7%	2.6%	2.6%	2.5%	2.5%	2.7%	2.7%	2.9%	3.1%	2.9%
Consumer Price Index (YoY)	3.4%	4.0%	4.0%	4.4%	4.4%	4.3%	4.4%	3.5%	2.6%	2.9%	2.8%	2.9%	3.6%	2.9%
Export Value (% YoY)	46.2%	-4.6%	13.8%	11.4%	11.1%	14.3%	20.5%	15.4%	11.1%	10.5%	8.4%	12.8%	-3.9%	26.0%
Import Value (% YoY)	34.6%	-1.2%	7.5%	15.2%	22.1%	15.5%	25.5%	15.1%	11.5%	13.8%	10.4%	19.2%	-2.7%	40.1%
Trade Balance (BnUSD)	3.6	1.4	2.6	1.1	-0.5	3.2	2.4	4.0	2.3	2.0	1.1	0.5	3.1	-1.6
Disbursed FDI (BnUSD)	1.5	1.3	1.8	1.7	2.0	2.6	1.7	1.6	3.2	2.2	2.1	3.7	1.5	1.4
Registered FDI exl Cap. Cont. (BnUSD)	2.3	1.8	1.7	2.6	1.7	3.5	2.2	2.0	3.5	2.4	3.7	6.4	4.0	2.4
Disbursement of public investment (Tn VND, YTD)	32.9	59.8	97.7	142.8	190.6	244.4	301.5	363.1	428.1	495.9	572.0	661.3	35.4	73.2

VIETNAM-KEY MACRO INDICATORS

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Quarterly data	Q1 2022	Q2 2022	Q3 2022	Q4 2022	Q1 2023	Q2 2022	Q3 2023	Q4 2023	Q1 2024	Q2 2024	Q3 2024	Q4 2024
GDP (YoY)	5.05%	7.72%	13.67%	5.92%	3.32%	3.72%	5.47%	6.72%	5.87%	7.09%	7.43%	7.55%
<i>Agriculture, Forestry and Fishing</i>	2.53%	3.02%	3.24%	3.85%	2.52%	3.07%	4.30%	4.13%	3.42%	3.64%	2.95%	2.99%
<i>Industry and Construction</i>	6.41%	8.87%	12.91%	4.22%	-0.40%	1.13%	5.16%	7.35%	6.66%	8.60%	8.98%	8.35%
<i>Services</i>	4.64%	8.56%	18.86%	8.12%	6.79%	6.33%	6.43%	7.29%	6.20%	7.10%	7.52%	8.21%
Industrial Production (YoY)	6.81%	10.83%	10.94%	3.02%	-2.25%	-0.21%	2.84%	4.97%	5.89%	9.94%	9.25%	7.94%
Retail Sales (YoY)	4.44%	19.46%	41.24%	17.11%	13.87%	8.80%	7.30%	9.30%	8.38%	8.81%	8.50%	9.30%
Export Value (YTD) (USDmn)	88,579	96,832	95,343	89,049	79,170	85,747	93,540	96,530	92,875	98,179	108,590	105,882
Import Value (YTD) (USDmn)	87,770	97,581	89,980	85,340	75,100	77,480	84,859	90,173	85,282	94,020	99,742	101,921
Trade Balance (USDmn)	890	- 750	5,363	3,709	4,070	8,267	8,681	6,357	7,593	4,159	8,848	3,960
Disbursed FDI (USDmn)	4,450	5,640	5,368	6,972	4,320	5,892	5,701	7,267	4,630	6,210	6,500	8,010
Registered FDI (USDmn)	7,280	4,480	3,713	7,097	4,230	5,966	5,188	12,686	5,700	7,790	7,700	12,500

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