

**MACRO UPDATE**  
**May 2025**

# **DEFERRED TARIFFS SUPPORTS RECOVERY IN FDI AND TRADE**

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# KEY TAKEAWAYS

## SPOTLIGHT

May 2025 economic data indicates a gradual recovery in growth momentum driven by FDI and trade, despite persistent impacts from U.S. tariff policies. Additionally, industrial production continued to rise, public investment was further accelerated, and CPI remained under control.

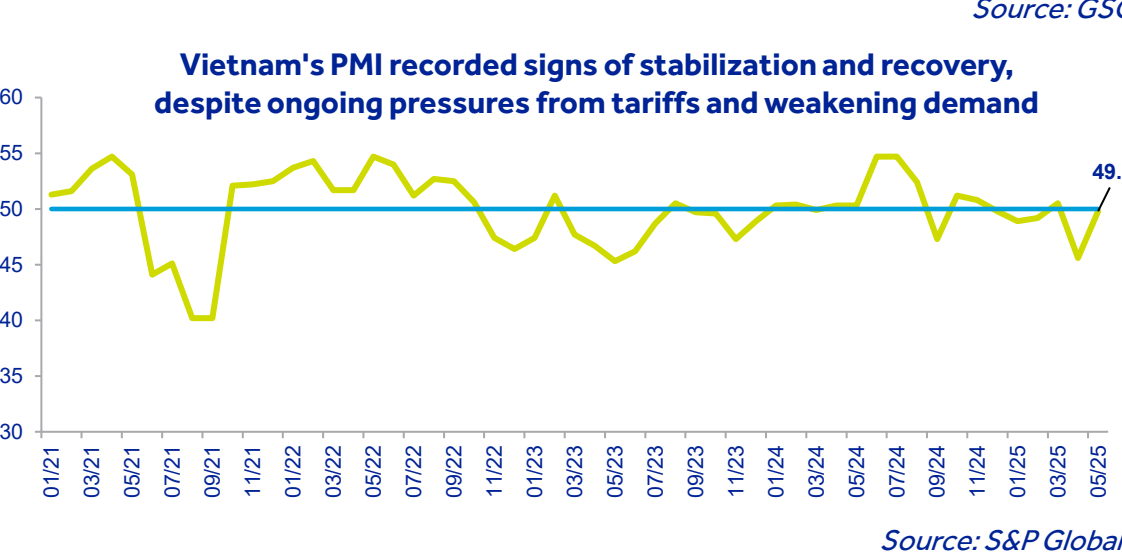
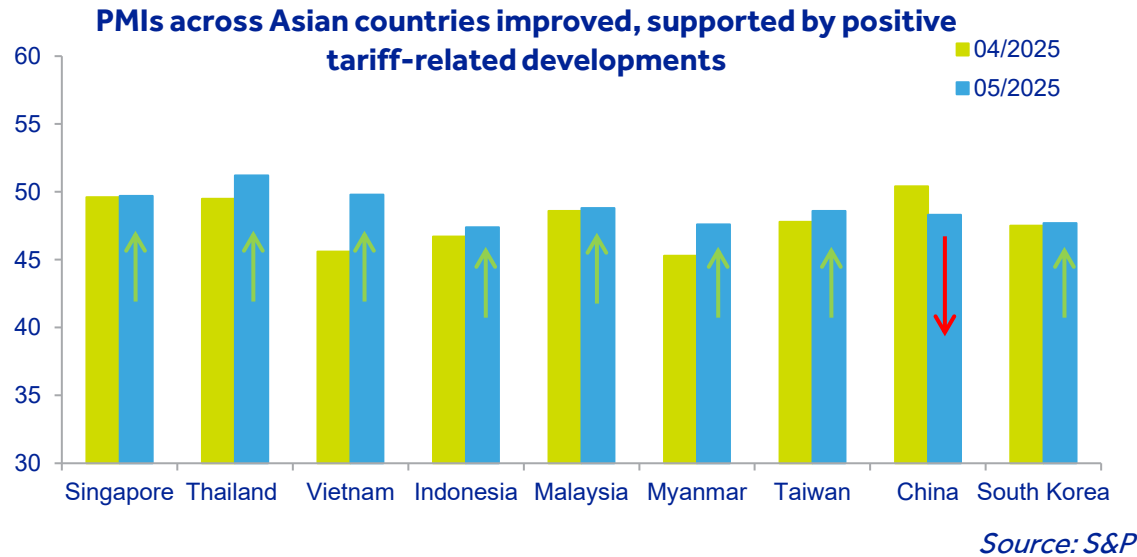
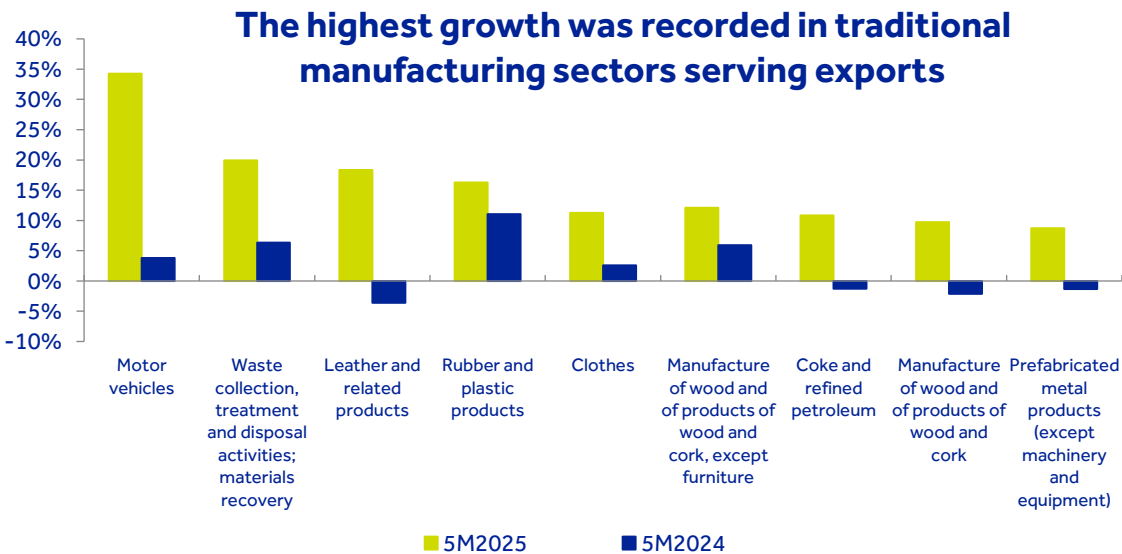
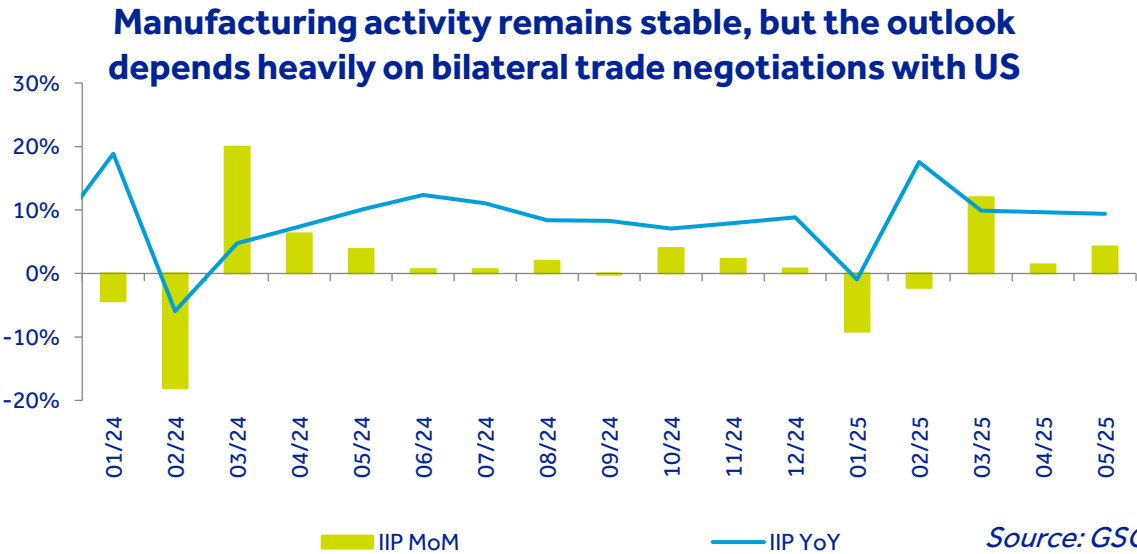
- 1. Industrial production maintained its growth trajectory**, with the Index of Industrial Production (IIP) in May increasing by 4.3% MoM and 9.4% YoY, indicating steady expansion in the manufacturing sector. Meanwhile, according to the PMI report, although manufacturing business conditions remained under pressure from reciprocal tariffs and weakening demand, May 2025 recorded initial signs of stabilization and recovery, particularly in output and input costs.
- 2. Domestic consumption sustained its upward trend**, with total retail sales of goods and services in May 2025 increasing by 10.2% YoY. Tourism revenue surged, supported by consistently high levels of international visitor arrivals.
- 3. Trade activities rebounded**, with both exports and imports rising compared to the previous month, suggesting that the impact of tariffs was not overly adverse. However, the trade surplus narrowed sharply, reflecting a notable increase in imports of raw materials and intermediate goods – potentially signaling rising input demand for production, though also posing risks if export recovery fails to keep pace.
- 4. FDI momentum recovered**, with newly registered FDI in May 2025 rising sharply. Disbursed FDI also stabilized during the month.
- 5. Inflation remained under control**, with the CPI increasing slightly by 0.16% MoM, primarily due to higher electricity prices (+0.84%), water utility prices (+1%), and construction material prices (+1.2%). On average, CPI 5M2025 rose by 3.21% YoY, with core inflation up 3.1% YoY.
- 6. Public investment disbursement** continued to be a bright spot, rising by 15.8% YoY in May 2025 and by 17.5% YoY in 5M2025, reaching 24.3% YoY – clearly reflecting the government's strong commitment to accelerating public investment as a driver for economic growth.

## MACRO INDICATORS

Monthly Data	May-2025	MoM	YoY	YTD
Industrial Production (YoY) (IIP)	-	+4.3%	+9.4%	+8.8%
Retail Sales of Goods and Services (Trillion VND)	575	+0.45%	+10.2%	+9.7%
Consumer Price Index	-	+0.16%	+3.24%	+3.21%
Export Value (Bn USD)	39.6	+5.74%	+17.0%	+14.0%
Import Value (Bn USD)	39.0	+5.9%	+14.1%	+17.5%
Trade Balance (Bn USD)	0.6	-4.5%	-	-47.1%
Disbursed FDI (Bn USD)	2.2	+21.3%	+9.6%	+7.9%
Registered FDI excl Cap. Cont.(Bn USD)	3.5	+41.8%	+111.2%	+55.1%
Disbursement of public investment (Tn VND)	55.4	+11.6%	+15.8%	+17.5%
PMI	49.8			-
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*	26,190	+0.2%	+2.9%	+2.5%

\*Ask rate by commercial banks 11/06/2025

# Production stable despite tariff pressures and weak demand



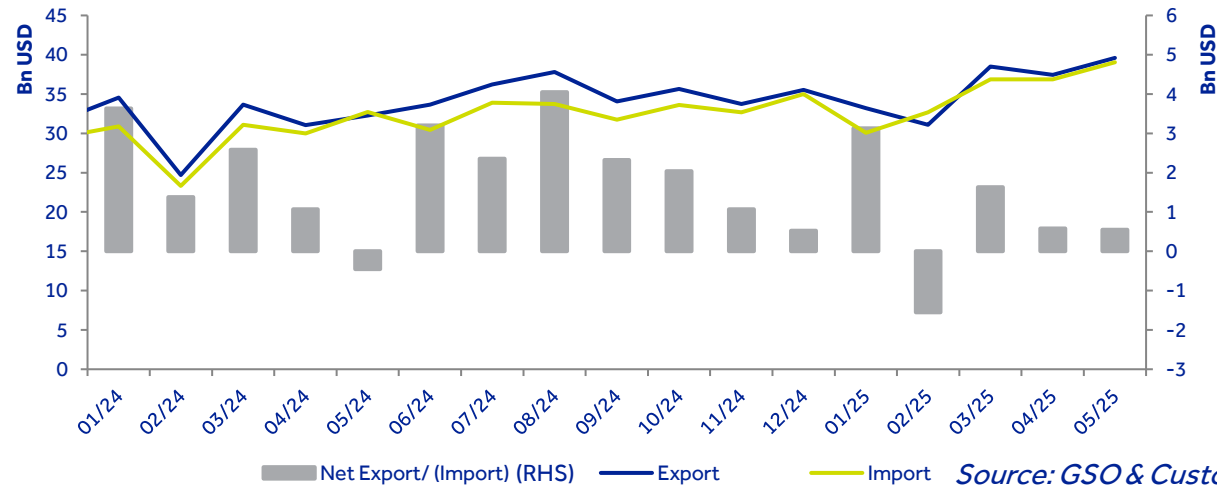
# FDI and trade rebound during deferred tariffs period

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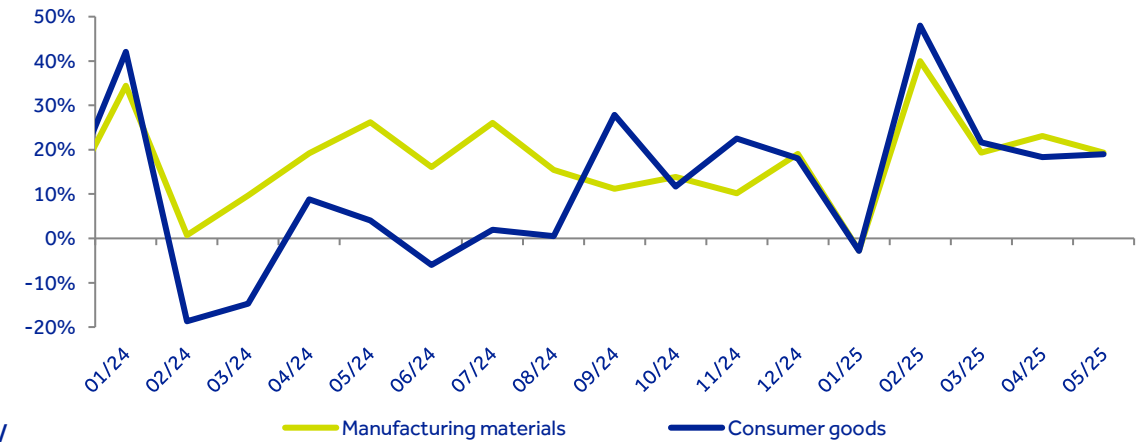
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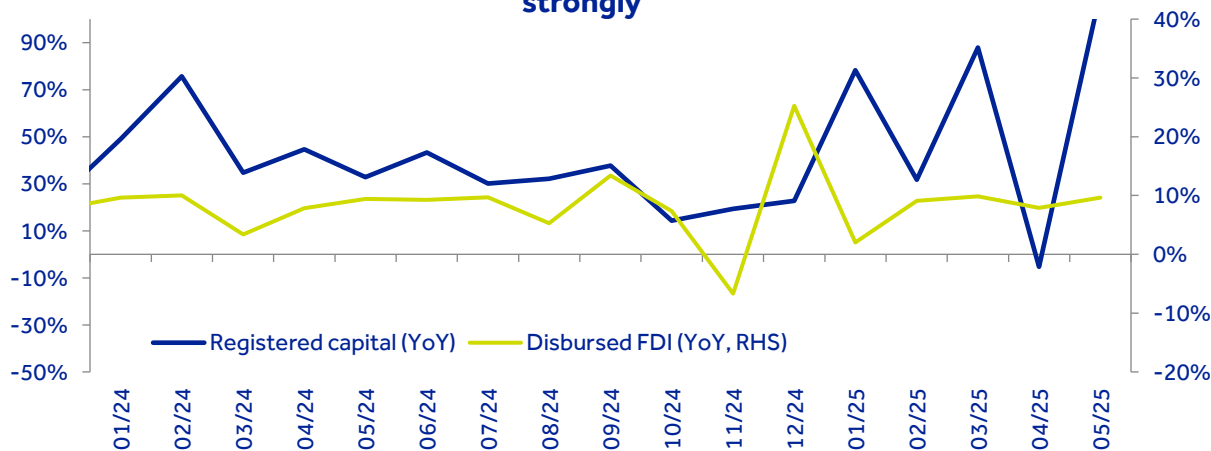
Trade activities recovered, but the trade surplus continued to decline



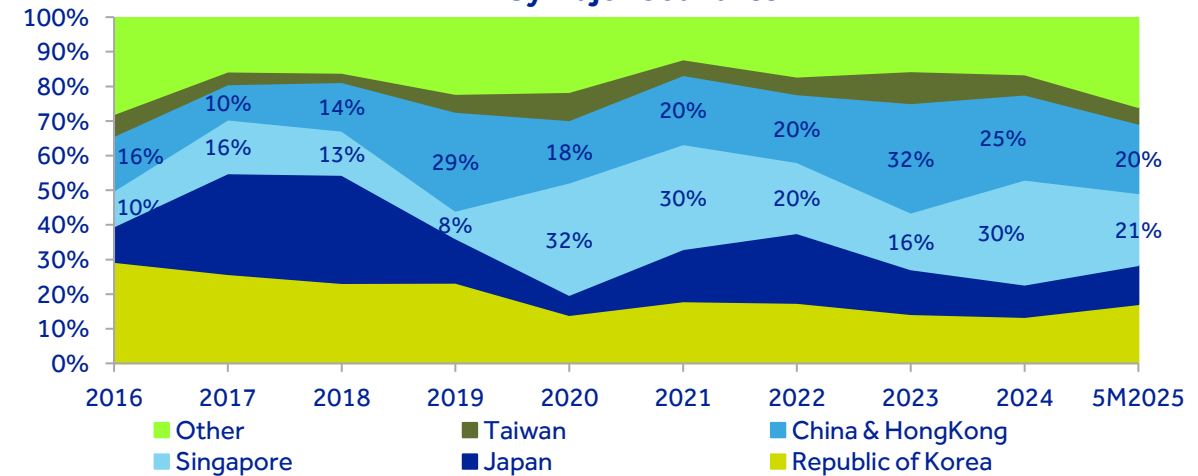
Imports of raw materials in May 2025 recovered and slightly increased MoM



Disbursed FDI remained stable, while registered FDI rebounded strongly



FDI by Major Countries



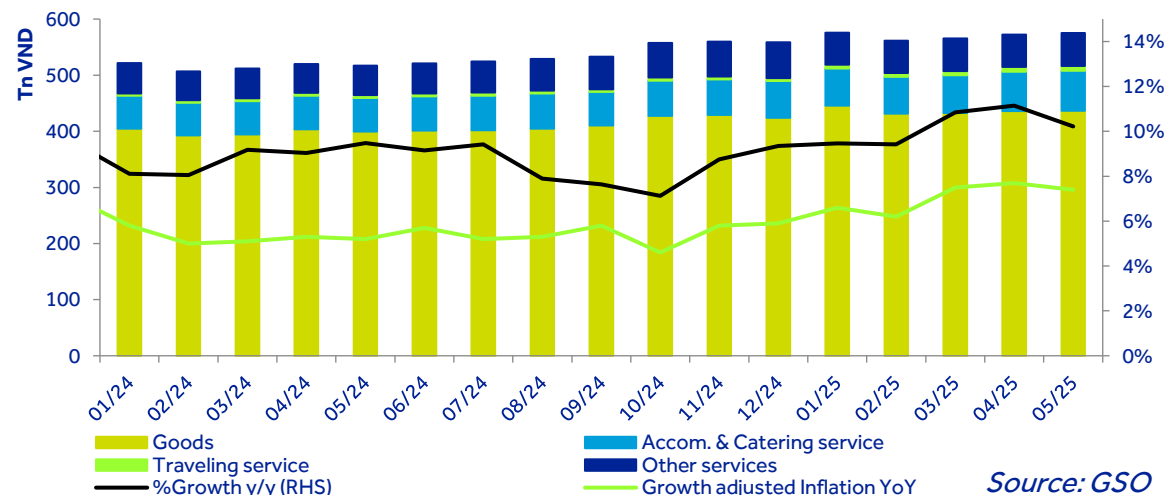
# Domestic consumption revive, while inflation remains stable

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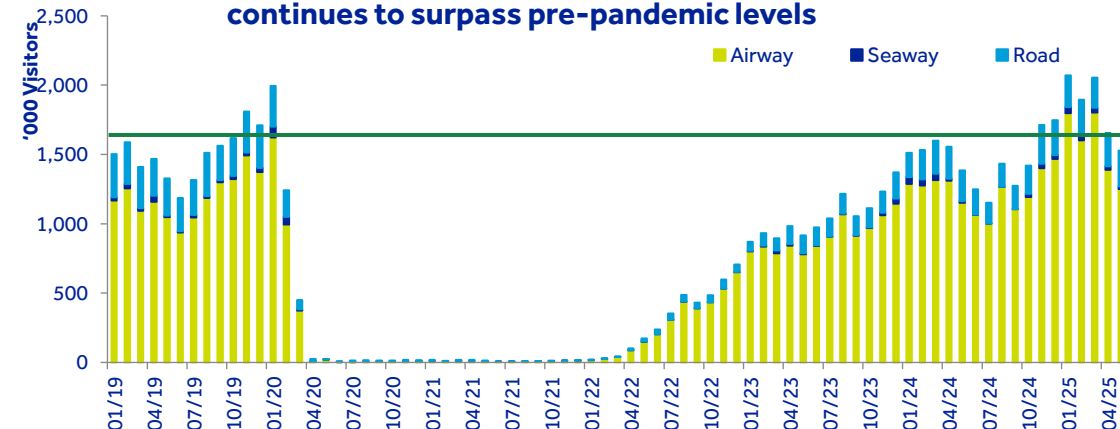
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Total retail sales of goods and services continue to rebound



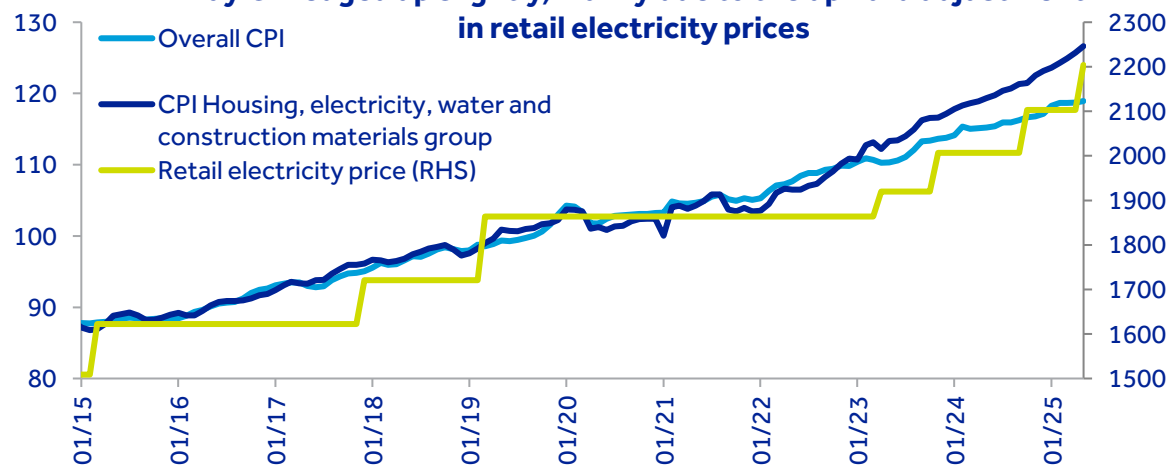
Source: GSO

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



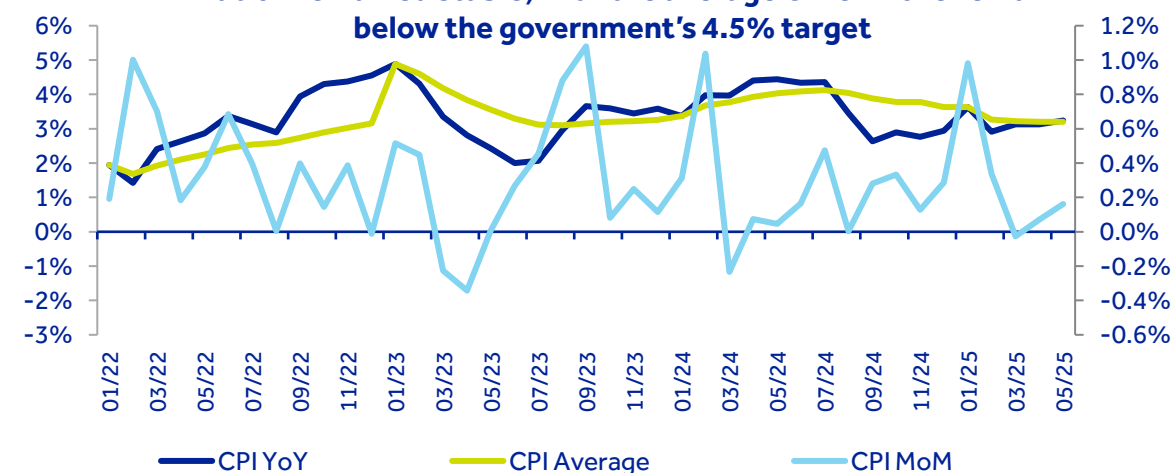
Source: GSO

May CPI edged up slightly, mainly due to the upward adjustment in retail electricity prices



Source: GSO

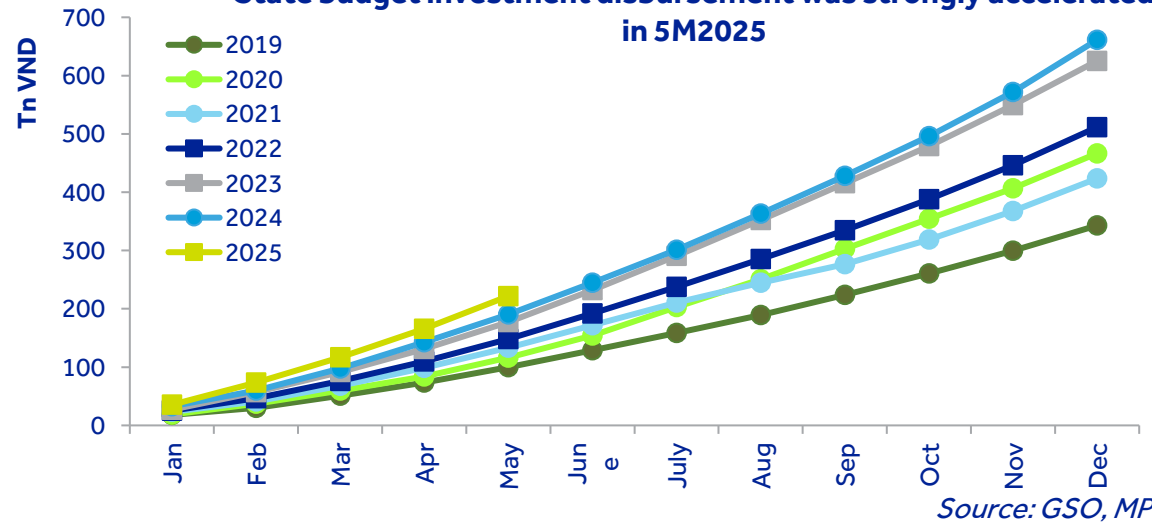
Inflation remained stable, with the average CPI 5M2025 remain below the government's 4.5% target



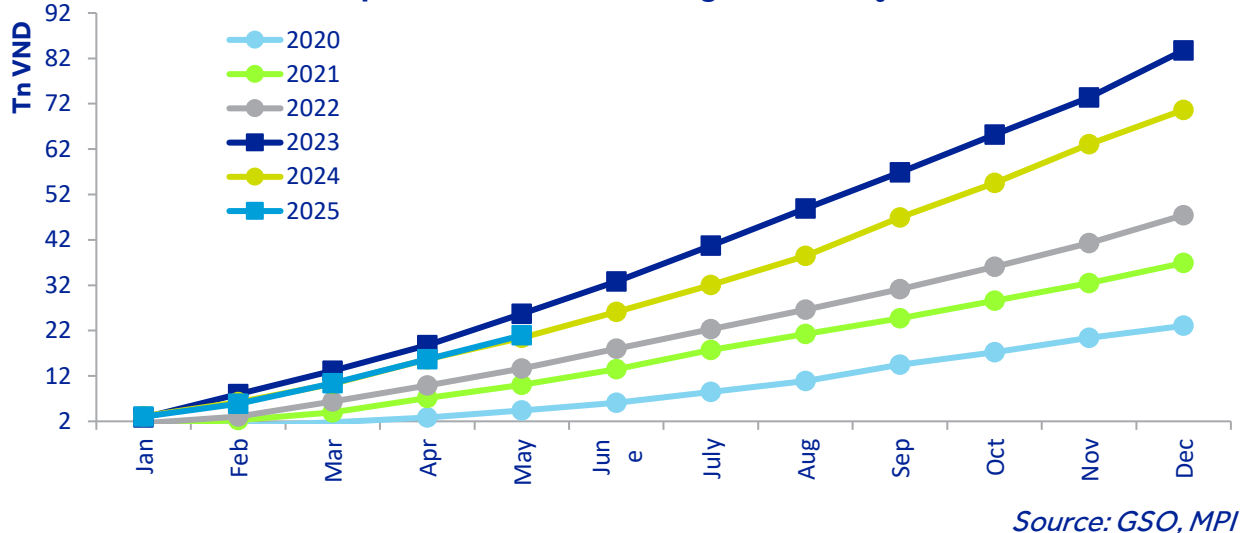
Source: GSO

# Public investment aggressively promoted to support growth

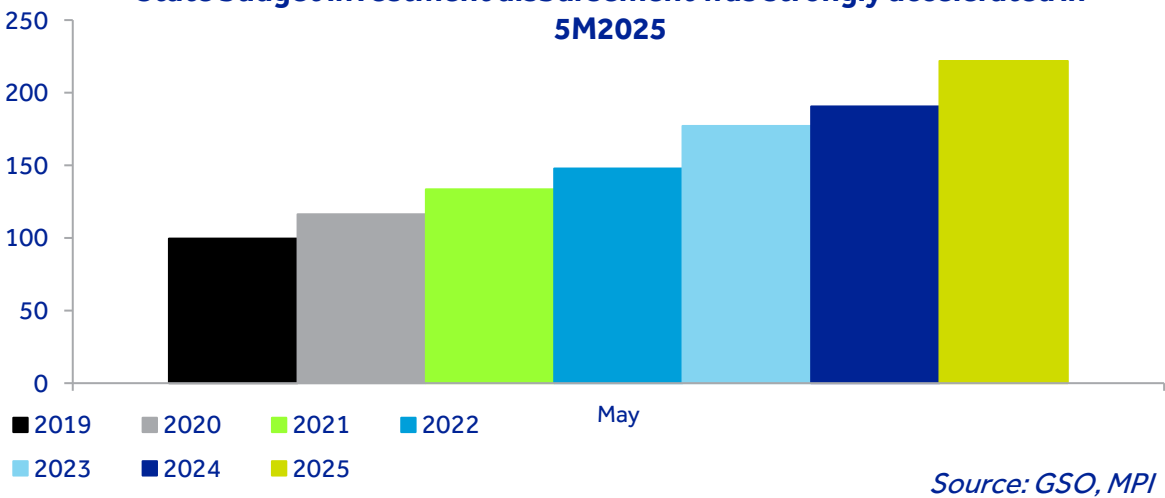
State budget investment disbursement was strongly accelerated in 5M2025



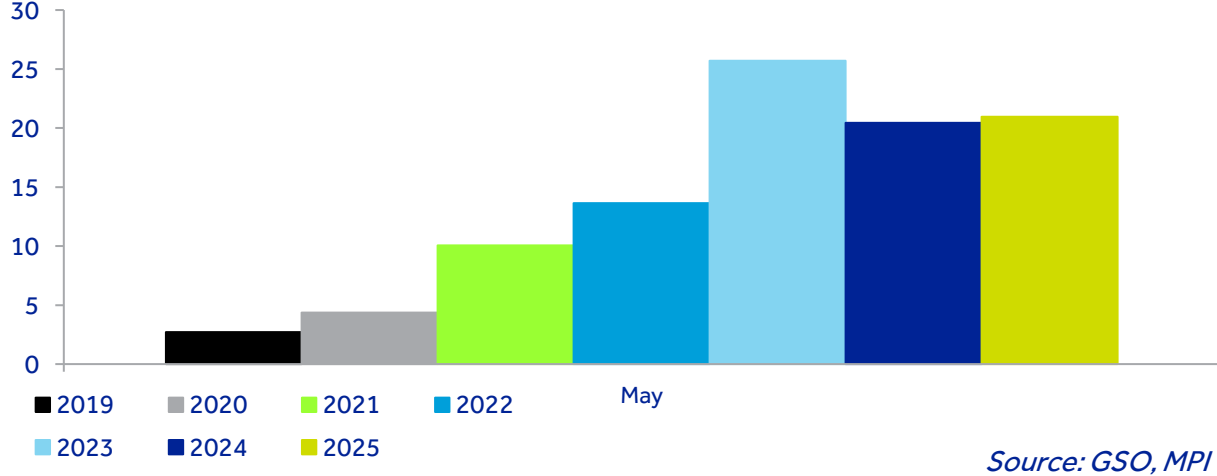
Investment Capital from the State Budget - Ministry of Construction



State budget investment disbursement was strongly accelerated in 5M2025



Investment Capital from the State Budget - Ministry of Construction



# VIETNAM-KEY MACRO INDICATORS

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nthly data	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	Mar-25	Apr-25	May-25
Industrial Production (YoY)	18.9%	-5.9%	4.8%	7.4%	10.0%	12.4%	11.1%	8.4%	8.3%	7.1%	8.0%	8.8%	-1.0%	17.6%	9.9%	9.6%	9.4%
Purchasing Managers Index	50.30	50.40	49.90	50.30	50.30	54.70	54.70	52.40	47.30	51.20	50.80	49.80	48.90	49.20	50.50	45.60	49.80
Retail Sales (YoY)	8.1%	8.1%	8.2%	8.5%	8.7%	8.6%	8.7%	8.5%	8.8%	8.5%	8.8%	9.3%	9.5%	9.4%	10.8%	11.1%	10.2%
Consumer Price Index (MoM)	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%	3.1%	3.1%	3.3%
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%	3.1%	3.1%	3.2%
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%	12.9%	-3.9%	26.0%	14.4%	20.6%	22.7%
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%	19.0%	-2.7%	40.1%	18.6%	23.0%	19.3%
Trade Balance (BnUSD)	3.6	1.4	6	1.1	(0.5)	3.2	2.4	4.0	2.3	2.0	1.1	0.5	3.1	(1.5)	1.6	0.6	0.6
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	2.0	1.8	2.2
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	3.1	2.5	3.5

# VIETNAM-KEY MACRO INDICATORS

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GDP (YoY)	5.1%	7.8%	13.7%	5.9%	3.3%	4.1%	5.5%	6.7%	5.9%	7.1%	7.4%	7.6%	6.9%
<i>Agriculture, Forestry and Fishing</i>	2.5%	3.1%	3.7%	3.9%	2.9%	3.7%	4.3%	4.1%	3.4%	3.6%	2.9%	3.0%	3.7%
<i>Industry and Construction</i>	6.4%	8.7%	12.2%	4.2%	-0.4%	2.1%	5.2%	7.4%	6.7%	8.6%	9.0%	8.4%	7.4%
<i>Services</i>	4.6%	8.9%	19.3%	8.1%	6.6%	6.2%	6.4%	7.3%	6.2%	7.1%	7.5%	8.2%	7.7%
Industrial Production (YoY)	6.8%	9.8%	10.9%	3.0%	-2.6%	-0.2%	2.8%	5.0%	5.9%	9.9%	9.3%	7.9%	7.8%
Retail Sales (YoY)	5.0%	20.1%	41.2%	17.1%	13.2%	8.8%	7.3%	9.3%	8.4%	9.1%	8.5%	9.3%	9.9%
Export Value (YTD) (BnUSD)	89.0	97.1	95.3	88.4	79.1	86.4	93.5	94.8	92.9	97.0	108.1	104.9	102.8
Import Value (YTD) (BnUSD)	87.5	97.3	90.0	83.5	75.5	79.2	84.8	88.5	85.3	93.2	99.4	101.3	99.6
Trade Balance (BnUSD)	1.5	(0.2)	5.4	4.9	3.6	7.2	8.7	6.3	7.6	3.8	8.7	3.6	3.2
Disbursed FDI (BnUSD)	4.5	5.6	5.4	7.0	4.3	5.9	5.7	7.3	4.6	6.2	6.5	8.0	5.0
Registered FDI (BnUSD)	7.3	4.5	3.7	7.1	4.2	6.0	5.2	12.7	5.7	7.8	7.7	12.5	9.5



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