



VIETNAM MACRO HIGHLIGHTS

POSITIVES

- **Industrial production and exports** continue to accelerate.
- **Domestic crude oil and gas output**, along with imports of finished fuel, continued to grow well in April. This helps ensure the energy supply.
- **Retail sales** maintain high growth.
- **International tourist** arrivals recovered and grew in April.
- **FDI (Foreign Direct Investment)** keeps its positive trend. Disbursed capital is growing faster, while newly registered capital continues to rise strongly.

CHALLENGES

- **Export growth** was mostly driven by electronics and machinery, while consumer goods exports got weaker. In addition, exports from domestic companies continued to drop for the 12th month in a row.
- Vietnam had a **trade deficit** for the 5th month in a row.
- **Production costs** continue to rise quickly due to the Iran conflict. Meanwhile, new orders dropped for the first time in 8 months.
- **Real retail** growth slowed down (+6.3% in 4M vs. +7.0% in 3M). This shows that a large part of retail growth came from price increases.
- **Inflation** continues to rise quickly because of fuel prices and is starting to spread to many other goods and services.

INDUSTRIAL PRODUCTION

Index of Industrial Production (IIP) - Speeding up across the board

- **Overall: Grew by +9.9% in April** (a clear improvement from +7.2% in March). **In 4M26, it reached 9.2%**, higher than the same period last year (8.4% in 2025) and equal to the growth of the whole year 2025.
- **Mining: Grew by +7.6% in April** (March: +2.1%). In this sector, crude oil and gas extraction increased by 14.6% - the strongest growth since November 2022, with output reaching the highest level since March 2023. **In 4M26, the mining sector grew by 4.0%**, with crude oil and gas output rising by 14.4%.
- **Manufacturing: Recorded an impressive growth of +10.0% in April** (March: 7.9%). **In 4M26, the manufacturing sector grew by 9.9%**. This is slightly lower than the 10.1% growth in the same period of 2025 and the 10.5% growth for the whole year 2025. In April, 23 out of 24 sub-sectors recorded growth (13 of them grew by more than 10%).

PMI (Purchasing Managers' Index): Continued to drop from 51.2 in March to 50.5 in April, the lowest level in 7 months. New orders fell for the first time in 8 months, with export orders dropping for the 2nd month in a row. Input costs continued to rise sharply, and the increase in April was the highest in 15 years.

INVESTMENT

Public Investment Disbursement: By April 23, the total disbursed amount for the 2026 plan reached 135.3 trillion VND. This equals 13.3% of the target set by the Prime Minister.

FDI:

- **Disbursed capital:** Reached \$2 billion in April, up 11.8% YoY. In 4M26, it reached \$7.4 billion, up 9.8%.
- **Registered capital:** Reached \$3 billion in April, up 7.0% YoY. Of this amount, newly registered capital rose strongly by 51.6%. In 4M26, total registered capital reached \$18.2 billion (+32.0%), with newly registered capital making up \$12.1 billion (+117.2%).

TRADE IN GOODS & SERVICES

- **Exports continued to accelerate in April (+21.0%, bringing 4M26 to +19.7%).** Electronics and machinery & equipment continued to be the main growth drivers. These 3 product groups contributed nearly 85% to the export growth in April. If we exclude these 3 groups, exports only grew by 5.7% in April and 8.0% in 4M26. Within this, consumer goods exports remained weak: textile exports were almost flat, while footwear and wood products dropped in April compared to the same period in 2025.
- **Imports continued to rise sharply by 32.5% in April** (March: +27.8%), bringing **4M26 growth up to 28.7%**. This growth was mostly driven by computers & electronic parts (+57.5%) and fuel (a massive jump of 186.3%). They contributed 54% and 9% to the total import growth, respectively.
- **Trade Balance:** Vietnam had a trade deficit of \$3.3 billion in April (the 5th month in a row with a deficit). For 4M26, the total trade deficit reached \$7.1 billion (compared to a trade surplus of \$3.8 billion in 4M25).

TOTAL RETAIL SALES

- **Total retail sales revenue in April maintained high growth (+12.1%), bringing 4M26 accumulated growth to 11.1%**, in which both retail of goods (April: +12.2%) and services (April: +11.7%) accelerated. However, the acceleration of retail sales in April was partly due to price increases, as growth excluding the price factor slowed down to 6.3% in 4M26 (compared to 7.0% in 3M26). Besides that, within the service structure, the revenue growth of tourism and travel in April slowed down to +6.5% YoY, recording the lowest growth rate since July 2023.

TRANSPORTATION AND TOURISM

- **International tourist** arrivals to Vietnam in April **reached 2.0 million, up 22.8% YoY, pushing 4M26 accumulated arrivals to 8.8 million (+14.6%)**. The main driver came from Chinese tourists growing strongly again (+22.1%), although in 4M26 Chinese tourists still decreased by 5.1%. Meanwhile, other key markets showed a clear divergence: European tourists continued to increase by 46.1% (4M26 accumulated up 53.3%) thanks to Russian tourists jumping 3 times compared to the same period; on the contrary, Korean tourists continued to decline for the second month in a row (-1.9% in April), causing 4M26 accumulated arrivals to only increase slightly by 3.8%.
- **Transport volume in April increased by 13.7%**, in which sea transport volume increased by 18.7% while air transport decreased by 8.0%.)

MARKET PRICES

- **CPI in April increased by 0.84% MoM**, slowing down compared to 1.23% in March, thanks to the transport price index cooling down with a 0.81% MoM drop (retail petrol prices dropped by 3.19% MoM). However, diesel prices and the prices of other fuels like gas and kerosene continued to rise sharply and have started to affect the prices of other goods and services. Specifically, the Dining out group (+1.94% MoM) and Housing, electricity, water, fuel & construction materials group (+2.59% MoM), contributed more than 90% to the overall CPI increase in April.
- Compared to the same period, price pressure is showing clear signs of rising. **Headline inflation in April increased by 5.46%** (March: 4.65%). In which, the price index of the Food and catering services group (+5.2%); Housing, electricity, water, fuel & construction materials group (+8.0%); Transport group (+11.1%). Along with that, core inflation also edged up to 4.66% (compared to 3.96% in March).

Disclaimer:

This report reflects the views of VCBF based on information and data available at the time of publication and is provided for informational purposes only. It should not be construed as investment advice. Investors are advised to follow a structured financial plan and asset allocation strategy aimed at achieving long-term financial objectives, rather than reacting to short-term market fluctuations. Any republication or redistribution of VCBF's views or assessments requires prior consent from VCBF.