

MACRO RECAP FEBRUARY 2026

VIETNAM MACRO HIGHLIGHTS

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POSITIVES

- **Industrial production** maintained **positive growth** across both mining and manufacturing sectors.
- **International tourist arrivals to Vietnam** continued to grow strongly.
- **Public investment disbursement and realized FDI registered solid growth.** Newly registered capital surged, particularly from South Korea.

CHALLENGES

- **Export orders lacked stability** amid global trade policy volatility.
- **Input material inflation** for manufacturing **remained elevated.**
- **Exports from the domestic sector** continued to decline.
- **A three-month consecutive trade deficit may exert pressure on the exchange rate.** However, this deficit could be transitory, as it was primarily driven by increased imports of electronics and machinery/equipment to fulfill future export orders.
- **Inflationary pressure** stemming from energy supply chain disruptions.
- **Retail sales growth continued to fall short of expectations,** with retail sales of services decelerating significantly.

INDUSTRIAL PRODUCTION & PMI

- **Overall sector:** +10.4% in 2M 2026, outpacing the 7.2% growth in 2M 2025; only trailing the 2M 2018 growth rate (+15.2%) and exceeding all other previous years.
- **Mining:** +5.4% in 2M 2026, reversing from a 6.4% contraction in 2M 2025, marking the highest first-two-month growth in the 2019-2026 period; notably, crude oil and natural gas extraction increased by 6.1%, second only to the 9.0% growth in 2M 2015.
- **Manufacturing:** +11.5% in 2M 2026, the highest for the 2019-2026 period; 22/24 sub-sectors recorded growth, with 13 sub-sectors growing over 10%. However, electronics manufacturing showed signs of deceleration as mobile phone production fell 4.6%, while the IIP growth for electronics and computers dropped below 8%.
- **PMI:** rose from 52.5 (Jan) to 54.3 (Feb), hitting a 4-month high, with the Business Confidence Index reaching a 41-month high. New orders improved on the back of strengthening domestic demand, while export orders moved sideways in Feb. Input inflation hovered at a high level for nearly 2 years.

MERCHANDISE TRADE

- **Exports:** grew 18.3% in 2M 2026, exceeding the 8.9% growth in 2M 2025 and the 17% in 2025; growth was predominantly driven by the FDI sector (+30.4%), while the domestic sector contracted by 12.1%. The electronics segment contributed nearly 62% to national export growth, with exports of computers & electronic products surging 40.9%. Meanwhile, consumer goods exports saw sluggish growth (+6.1%), with textiles up 1.2%, while wood products (-0.5%) and footwear (-0.1%) recorded slight declines.
- **Imports:** surged 26.3% in 2M 2026, largely fueled by higher imports of electronics and machinery & equipment.
- **Trade Deficit reached USD 1.0 billion in Feb,** marking the 3rd consecutive month of deficit. Cumulatively for 2M 2026, Vietnam posted a trade deficit of USD 2.9 billion (vs. a USD 1.8 billion trade surplus in 2M 2025).

RETAIL SALES

- **Total retail sales:** grew 8.5% YoY in Feb, improving from 7.7% in Jan. Jan retail sales were revised downwards, translating to a growth of 7.7% vs. the preliminary estimate of 9.3%. Cumulative 2M growth stood at 7.9%; excluding price effects, real retail sales grew by only 4.5% in 2M, significantly lower than the 6.8% growth recorded in the same period of 2025.
- **Retail sales of goods:** grew 8.8% in Feb and 7.8% for 2M.
- **Retail sales of services:** continued to log sluggish growth, rising only 7.5% in Feb and 8.5% for 2M.

TRANSPORT & TOURISM

- **International tourist arrivals to Vietnam** reached 2.2 million in Feb (+17.7% YoY) and 4.7 million in 2M (+18.1%). Chinese tourists increased by 21.6% in Feb but remained down 3.5% cumulatively for 2M, while South Korean tourists continued their recovery trajectory, rising 2.9% in Feb and 9.7% in 2M. European tourists surged 67.4% and contributed nearly half of the country's total tourist growth in the first two months.
- **Transport volume** grew 15.2% in the first two months, with maritime transport up 6.5% and air transport up 8.6%.

INVESTMENT

- **Public investment disbursement:** cumulative 2M disbursement reached VND 55.7 trillion, up 24.4% and fulfilling 5.6% of the Prime Minister's target (vs. 5.4% completion in the same period of 2025).
- **FDI:** Realized capital grew 8.8% in 2M. Registered capital fell 12.7% in 2M, dragged down by a sharp 52.3% drop in adjusted capital. Conversely, newly registered capital surged 61.5%; notably, capital from Singapore jumped 144% to USD 1.1 billion, while capital from South Korea reached USD 1.3 billion in the first two months of 2026, compared with USD 62 million in the same period of 2025.

INFLATION & MARKET PRICES

- **Feb CPI** recorded a strong increase of 1.14% primarily driven by a 2.02% rise in the food & catering services index amid high Lunar New Year (Tet) demand, with pork prices jumping 7.43% MoM. The food & catering services group alone contributed 0.72 percentage points to the Feb CPI increase. Additionally, the transport price index rose 1.23% MoM due to a 1.95% upward adjustment in retail gasoline prices from the previous month. However, on a YoY basis, the transport price index in Feb fell by 3.19%.
- **Headline inflation** accelerated to 3.35% in Feb (Jan: 2.53%).
- **Core inflation** climbed to 3.74%, marking the highest level since Sep 2023.