



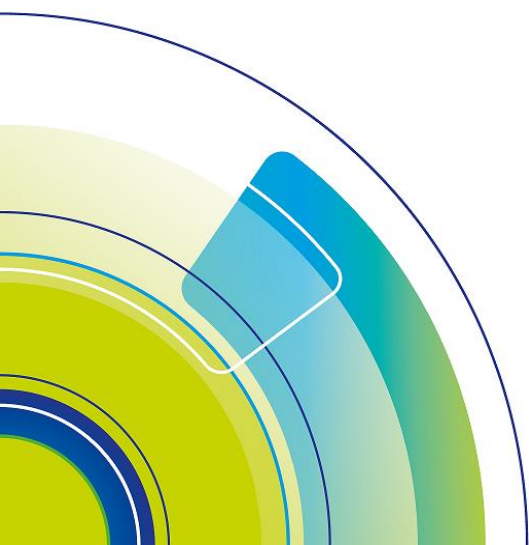
Macro Flash Note

Vietnam's economy: continue to recover

March 29, 2024

Minh Trinh

Analyst, Macro & Money Market



Minh Trinh Viet

minhtvh@acbs.com.vn

Vietnam's economy: continue to recover

- **GDP** 1Q2024 increased by 5.66% YoY.
- **Index of Industrial Production – IIP** in March increased 20% MoM and increased 4.13% YoY. 1Q2024 grew by 5.0% YoY.
- **Foreign Direct Investment – FDI** in March disbursed USD1.8bn (+3.4% YoY), and registered USD1.66bn (-14% YoY). Disbursed FDI reached USD4.6bn in 1Q2024 (+7.2% YoY); registered FDI reached USD5.7bn in 1Q2024 (+34.8% YoY).
- **Trade** in March, exports achieved USD34bn (+14.2%YoY); imports achieved USD31bn (+9.7%YoY), netsurplus of USD2.9bn. 1Q2024: surplus USD8bn with exports 1Q2024 reached USD93bn (+17% YoY) while imports reached USD85bn (+13.9% YoY).
- **Consumer Price Index – CPI** in March decreased by 0.23% MoM however increased by 3.97% YoY. Core CPI increased by 2.76% YoY. Avg CPI in 1Q2024 increased by 3.77% YoY.
- **Retail Sales** in March reached VND506.5tn, increased by 9.2% YoY. For 1Q2024, retail sales increased by 8.2% YoY.
- **Realized Capital under State Budget** reached VND97.7tn in 1Q2024 (+21.6% YoY)
- **State Budget:** Govt. revenue reached VND539.5tn (completing 31.7% budget), Govt. expenditure reached VND393.5tn (completing 18.6% budget).
- **Our quick comments:**
 - + The Vietnamese economy performed relatively good in 1Q2024 with a GDP growth rate of 5.66% YoY, higher than ACBS's forecast (5.2%), but lower than the high expectation of other organizations (6.1-6.3%). The economy growth was supported by the recovery of industrial production and trade activities. Industrial production increased by 5.7% YoY in 1Q2024 (vs -0.73% YoY in 1Q2023 and +6.86% YoY in 4Q2023). Furthermore, construction activities continued to revive as a result of the Government's support of public investment, with GDP growth of the construction sector reaching 6.83% YoY in 1Q2024 (vs +1.88% YoY in 1Q2023). Nevertheless, recovery on the side of demand remains modest despite the Lunar New Year holiday season. Consumer demand remained weak with retail sales in 1Q2024 increasing by only 8.2% YoY (remains below the average and falls short of the 10% level).
 - + The trade activities and foreign direct investment (FDI) remain the main growth drivers, with both exports and imports continue to recover (exports increased by 17% YoY and imports increased by 13.7% YoY in 1Q2024, compared to negative growth in 1Q2023), and FDI continues to flow into Vietnam (up 13.4% YoY in 1Q2024). In addition, the Government also strongly promoted public investment to support economic growth with budget disbursement increasing by 21.6% YoY in 1Q2024 (reaching 12.9% of 2024's plan).
 - + Average Consumer Price Index (CPI) of 1Q2024 increased 3.77% YoY but CPI in March 2024 decreased on the monthly basis, so we still maintain our view that the recent surge of CPI was due Lunar New Year Holiday effect and will be managed and lowered soon.
 - + We continue to expect the Vietnamese economy to continuously recover in upcoming quarters of 2024, driven by: (1) major economic partners of Vietnam such as the US, China and Europe showing signs of better recovery when in the Global Forecast Update in March 19 of the Conference Board raised the global economic growth forecast from 2.8% to 3% thanks to the improved growth prospects of China and the US. In recent FOMC meeting in March 2024, the FED also raised the US economic growth forecast to 2.1% from 1.4%; (2) industrial production activities recovering strongly thanks to the economic recovery of major trading partners (US, Europe, Japan and Korea); (3) consumption is expected to recover in 2H2024 and (4) the Government continues to promote public investment to support economic growth.

APPENDIX

Quarterly data	Q1 2022	Q2 2022	Q3 2022	Q4 2022	Q1 2023	Q2 2022	Q3 2023	Q4 2023	Q1 2024
GDP (YoY)	5.05%	7.72%	13.67%	5.92%	3.32%	3.72%	5.47%	6.72%	5.66%
<i>Agriculture, Forestry and Fishing</i>	2.53%	3.02%	3.24%	3.85%	2.52%	3.07%	4.30%	4.13%	2.98%
<i>Industry and Construction</i>	6.41%	8.87%	12.91%	4.22%	-0.40%	1.13%	5.16%	7.35%	6.28%
<i>Services</i>	4.64%	8.56%	18.86%	8.12%	6.79%	6.33%	6.43%	7.29%	6.12%
Industrial Production (YoY)	6.81%	10.83%	10.94%	3.02%	-2.25%	-0.21%	2.84%	4.97%	5.70%
Retail Sales (YoY)	4.44%	19.46%	41.24%	17.11%	13.87%	8.80%	7.30%	9.30%	8.20%
Export Value (YTD) (USDmn)	88,579	96,832	95,343	89,049	79,170	85,747	93,540	96,530	93,060
Import Value (YTD) (USDmn)	87,770	97,581	89,980	85,340	75,100	77,480	84,859	90,173	84,980
Trade Balance (USDmn)	890	- 750	5,363	3,709	4,070	8,267	8,681	6,357	8,080
Disbursed FDI (USDmn)	4,450	5,640	5,368	6,972	4,320	5,892	5,701	7,267	4,630
Registered FDI (USDmn)	7,280	4,480	3,713	7,097	4,230	5,966	5,188	12,686	5,700

CONTACTS

Ho Chi Minh City Head Office

117 Nguyen Dinh Chieu, Dist. 3, Ho Chi Minh City
Tel: (+84 28) 7300 7000
Fax: (+84 28) 7300 3751

Hanoi Office

10 Phan Chu Trinh, Hoan Kiem Dist., Ha Noi
Tel: (+84 4) 3942 9395
Fax: (+84 4) 3942 9407

RESEARCH DEPARTMENT

Acting Head of Research

Trang Do

(+84 28) 7300 7000 (x1041)
trangdm@acbs.com.vn

Manager – Properties

Truc Pham
(+84 28) 7300 7000 (x1043)
trucptt@acbs.com.vn

Manager – Financials

Hung Cao
(+84 28) 7300 7000 (x1049)
hungcv@acbs.com.vn

Manager – Consumer-related, Technology

Chi Luong
(+84 28) 7300 7000 (x1042)
chiltk@acbs.com.vn

Associate – Oil & Gas

Hung Phan
(+84 28) 7300 7000 (x1044)
hungpv@acbs.com.vn

Associate – Industrials

Trung Tran
(+84 28) 7300 7000 (x1045)
trungtn@acbs.com.vn

Associate – Macro & Money Market

Minh Trinh Viet
(+84 28) 7300 7000 (x1046)
minhtvh@acbs.com.vn

Associate – Utilities

Toan Pham
(+84 28) 7300 7000 (x1051)
toanpd@acbs.com.vn

Analyst – Technical

Huu Vo
(+84 28) 7300 7000 (x1052)
huvvp@acbs.com.vn

Associate – Logistics

Hung Nguyen
(+84 28) 7300 7000 (x1047)
hungnt@acbs.com.vn

Analyst – Market data

Anh Mai
(+84 28) 7300 7000 (x1110)
anhmd@acbs.com.vn

INSTITUTIONAL CLIENT DIVISION

Director

Huong Chu

(+84 28) 7300 7000 (x1083)
huongctk@acbs.com.vn
groupis@acbs.com.vn

Associate

Huynh Nguyen

(+84 28) 7300 6879 (x1088)
huynhntn@acbs.com.vn

Associate

Dung Ly

(+84 28) 7300 6879 (x1084)
dungln.hso@acbs.com.vn

DISCLAIMER

Analyst Certification(s)

We, the author(s) of this report, hereby certify (1) that the views expressed in this research report accurately reflect our personal views about any or all of the subject securities or issuers referred to in this research report and (2) no part of our compensation was, is, or will be directly or indirectly related to the specific recommendations or views expressed in this research report.

Important Disclosures

ACBS and/or an affiliate thereof (hereby collectively called ACBS) did or may seek to do business with companies covered in this report as its routine business. ACBS's proprietary trading accounts may have a position in such companies' securities. As a result, the investor should be aware that ACBS may have a conflict of interest from time to time.

ACBS produces a variety of research products including, but not limited to, fundamental analysis, equity-linked analysis, quantitative analysis, and trade ideas. Recommendations contained in one type of research product may differ from recommendations contained in other types of research products, whether as a result of differing time horizons, methodologies, or otherwise.

Disclaimer

This report is provided for information purposes only. ACBS makes no express or implied warranties, and expressly disclaims all warranties of merchantability or fitness for a particular purpose or use with respect to any data included in this report. ACBS will not treat unauthorized recipients of this report as its clients. Prices shown (if any) are indicative and ACBS is not offering to buy or sell or soliciting offers to buy or sell any financial instrument. **Without limiting any of the foregoing and to the extent permitted by law, in no event shall ACBS, nor any affiliate, nor any of their respective officers, directors, partners, or employees have any liability for (a) any special, punitive, indirect, or consequential damages; or (b) any lost profits, lost revenue, loss of anticipated savings or loss of opportunity or other financial loss, even if notified of the possibility of such damages, arising from any use of this report or its contents.** Other than disclosures relating to ACBS, the information contained in this report has been obtained from sources that ACBS believes to be reliable, but ACBS does not represent or warrant that it is accurate or complete. The views in this report are subject to change, and ACBS has no obligation to update its opinions or the information in this report.

Some parts of this report reflect the assumptions, views and analytical methods of the analysts who prepared them, and ACBS is not responsible for any error of their works and assumptions. ACBS may have issued, and may in the future issue, other reports that are inconsistent with, and reach different conclusions from, the information presented in this report.

The analyst recommendations in this report reflect solely and exclusively those of the author(s), and such opinions were prepared independently of any other interests, including those of ACBS. This report does not constitute personal investment advice or take into account the individual financial circumstances or objectives of the investors who receive it. The securities discussed herein may not be suitable for all investors. ACBS recommends that investors independently evaluate each issuer, securities or instrument discussed herein and consult any independent advisors they believe necessary. The value of and income from any investment may fluctuate from day to day as a result of changes in relevant economic markets (including changes in market liquidity). The information herein is not intended to predict actual results, which may differ substantially from those reflected. Past performance is not necessarily indicative of future results.

This report may not be distributed to the public media or used by the public media without prior written consent of ACBS. Otherwise it will be considered as illegal. The breacher shall compensate fully to ACBS any loss or damage which arises from such breach (if any).

In the event that the distribution and/or receipt of this report is prohibited by the investor's jurisdiction, the investor shall dismiss this report immediately otherwise it will be at his/her own risks.

ACBS does not provide tax advice and nothing contained herein should be construed to be tax advice. Accordingly, the investors should seek advice based on their particular circumstances from an independent tax advisor. This report may contain links to third-party websites. ACBS is not responsible for the content of any third-party website or any linked content contained in a third-party website. Content contained on such third-party websites is not part of this report and is not incorporated by reference into this report. The inclusion of a link in this report does not imply any endorsement by ACBS. Access to any third-party website is at the investor's own risks, and the investor should always review the terms and privacy policies at third-party websites before submitting any personal information to them. ACBS is not responsible for such terms and privacy policies and expressly disclaims any liability for them.

© Copyright ACBS (2024). All rights reserved. No part of this report may be reproduced in any manner without the prior written permission of ACBS.