

MACRO UPDATE **January 2025**

BOLD BEGINNING

Minh Trinh Viet
Associate – Macro & MM

KEY TAKEAWAYS

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SPOTLIGHT

1. The Industrial Production Index (IIP) in January increased 0.6% YoY, with the manufacturing and processing sector recording a modest growth of 1.6% YoY. This was due to the Lunar New Year holiday, which reduced the number of working days compared to the previous month and the same period last year.
 2. Foreign Direct Investment (FDI) disbursement slowed in January 2025, but registered FDI accelerated, surging by 78.7% YoY.
 3. Domestic consumption and service revenues showed a clearer recovery thanks to the holiday season, increasing by 2.7% MoM and 9.5% YoY.
 4. Export and import activities stagnated in January, but Vietnam still maintained a trade surplus. The total trade turnover in January reached USD63bn, down 3.5% YoY, with a trade surplus of USD3.1bn. Key export commodities such as electronics, textiles, and machinery all recorded declines during January.
 5. Inflation rose in January, mainly due to increased shopping and consumption demand during the holiday season. Specifically, inflation in January 2025 increased 3.63% YoY, with core inflation rising by 3.1% YoY.
 6. Public investment disbursement was strong in the first month of the year, rising by 9.6% YoY, reflecting the government's commitment to expediting public investment as a key driver of economic growth in 2025.
- **Comment:** We maintain an optimistic outlook on Vietnam's economic prospects in 2025, despite complex macroeconomic developments in the early months of the year. In particular, President Trump's tariff policies have heightened global economic uncertainty and impacted Vietnam. However, the government's push for public investment in 2025 is a positive signal, demonstrating Vietnam's efforts to leverage its internal strengths to sustain growth. Amid global economic uncertainties, Vietnam's resilience, adaptability, and internal strengths will play a crucial role in mitigating negative impacts and maintaining stable growth in 2025.

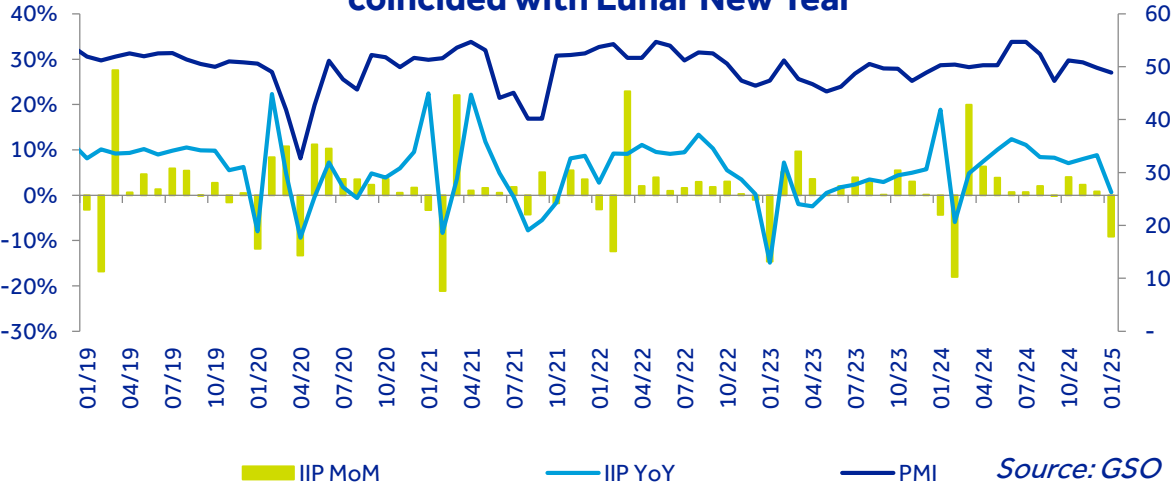
MACRO INDICATORS

Monthly Data	Jan-2025	MoM	YoY	YTD
Industrial Production (YoY) (IIP)	-	-9.2%	+0.6%	+0.6%
Retail Sales of Goods and Services (Trillion VND)	573.3	+2.7%	+9.5%	+9.5%
Consumer Price Index	-	+0.98%	+3.63%	+3.63%
Export Value (Bn USD)	33.1	-6.9%	-4.3%	-4.3%
Import Value (Bn USD)	30.1	-14.1%	-2.6%	-2.6%
Trade Balance (Bn USD)	3.1	-	-	3.1
Disbursed FDI (Bn USD)	1.5	-58.9%	+2.0%	+2.0%
Registered FDI exl Cap. Cont.(Bn USD)	4.0	-37.0%	+78.3%	+78.3%
Disbursement of public investment (Tn VND, YTD)	35.4	-	+9.6%	+9.6%
PMI	48.9	-	-	-
Refinancing rate	4.5%	+0 bpt	+0 bpt	+0 bpt
OMO Interest rate (Monthly Avg.)	4.14%	+16 bpt	+390 bpt	+390 bpt
USDVND Exchange rate*	25,300	-1.0%	+2.9%	+2.9%
*Ask rate by commercial banks 24/01/2025				

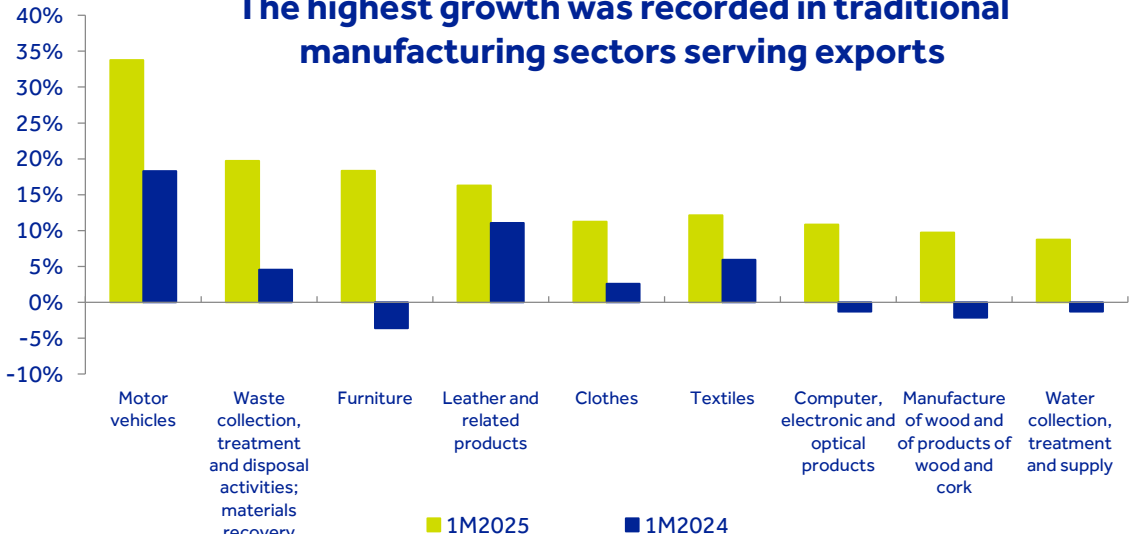
Industrial production had a slow start in January due to Tet holiday

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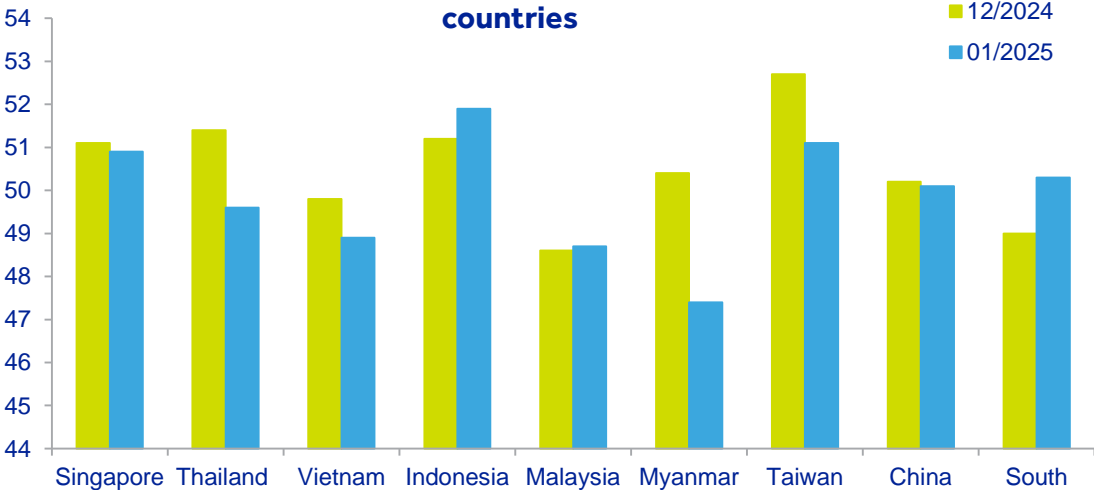
Manufacturing activity stagnated as January coincided with Lunar New Year



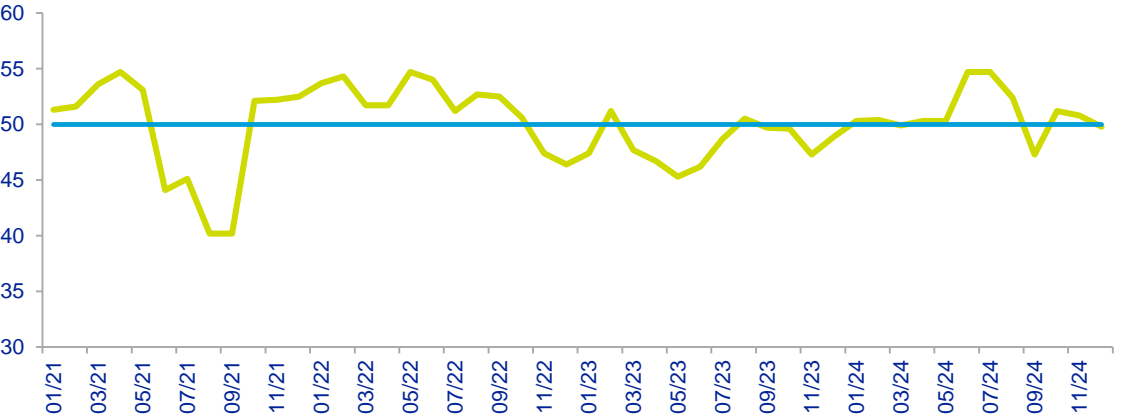
The highest growth was recorded in traditional manufacturing sectors serving exports



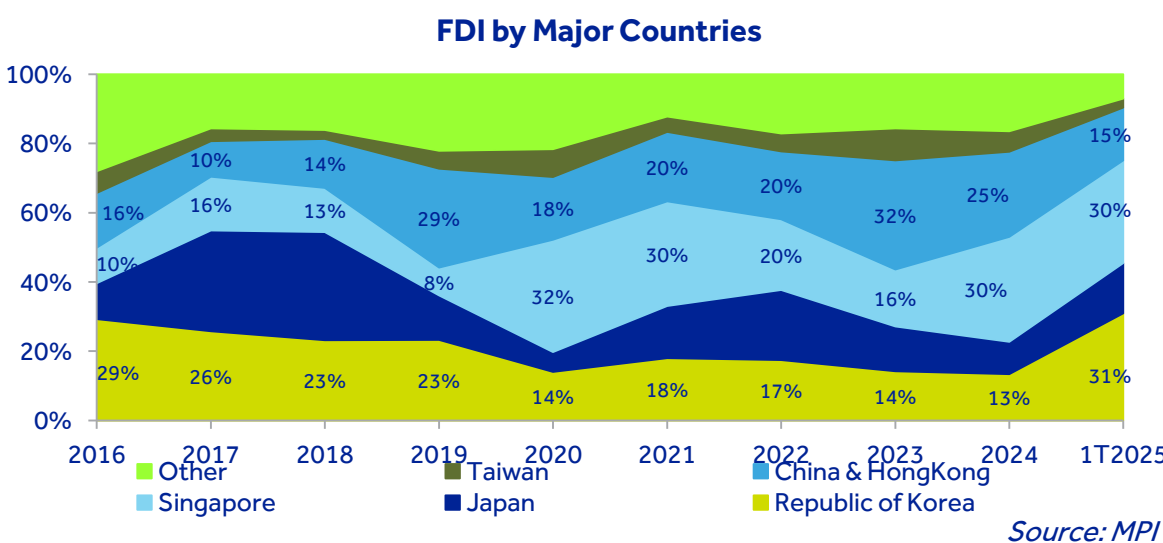
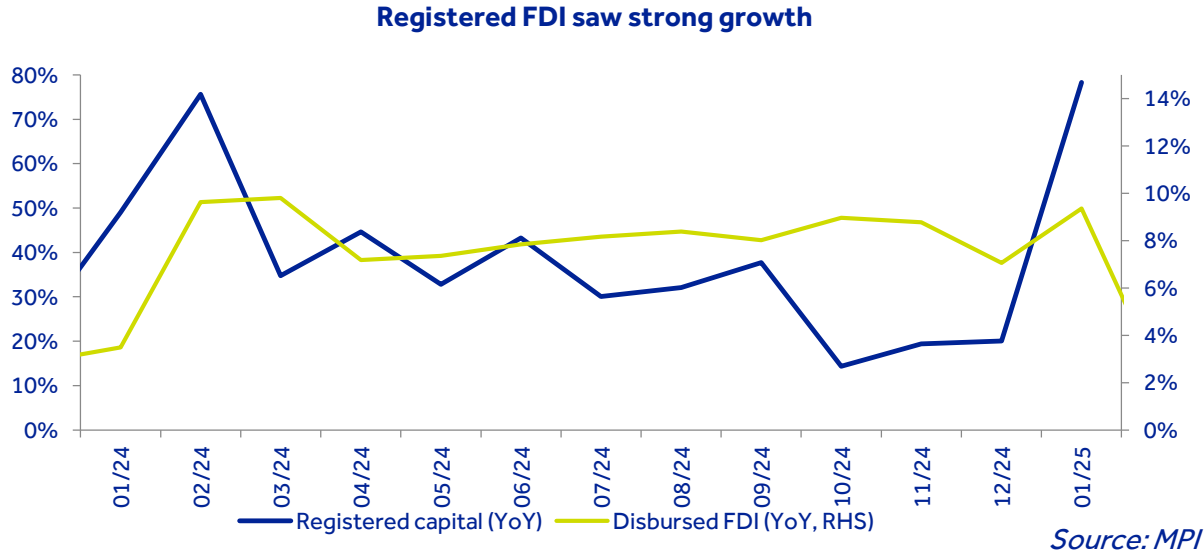
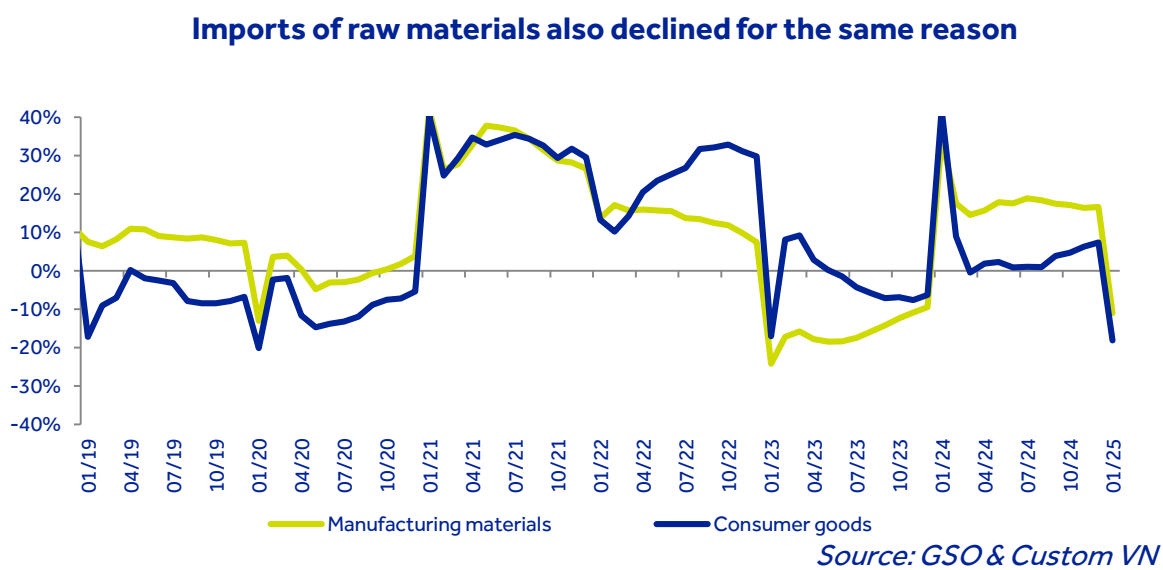
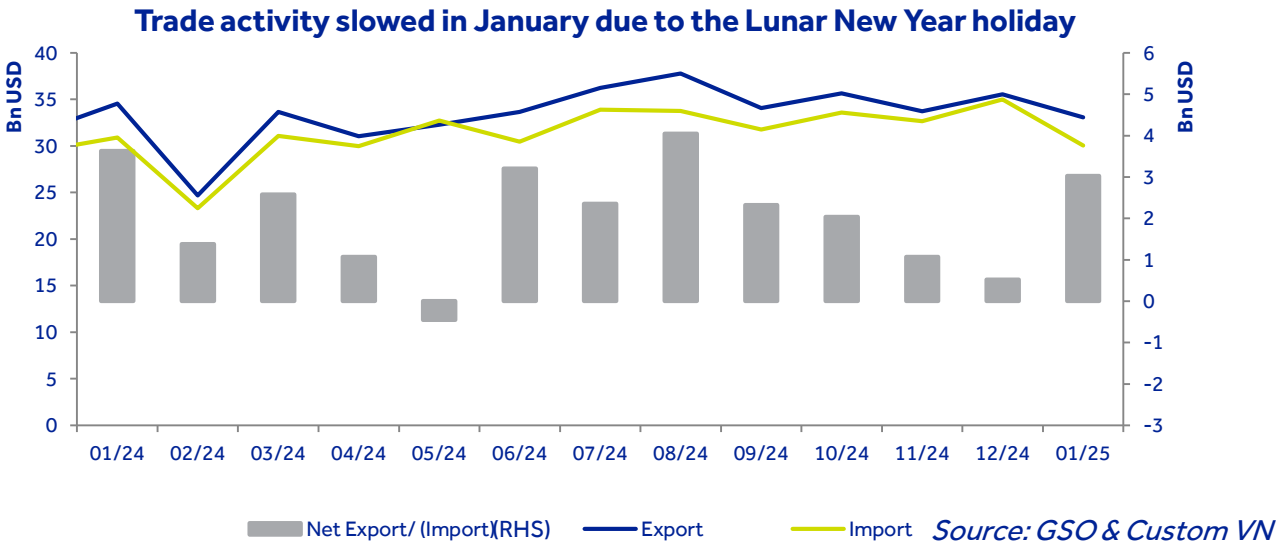
Vietnam PMI mostly aligns with PMI trends of other Asian countries



PMI Vietnam



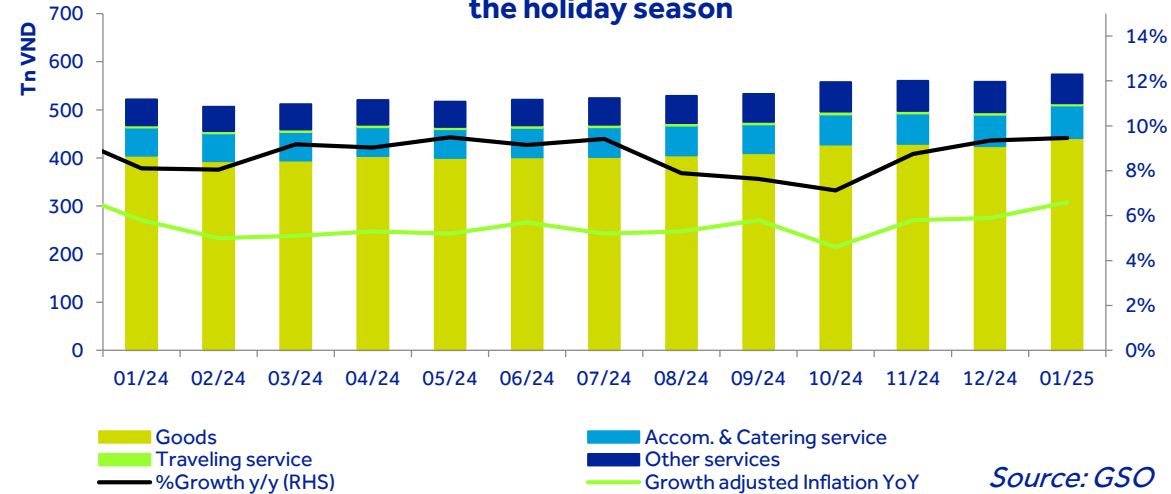
Registered FDI surged, while trade slowed but remained in surplus



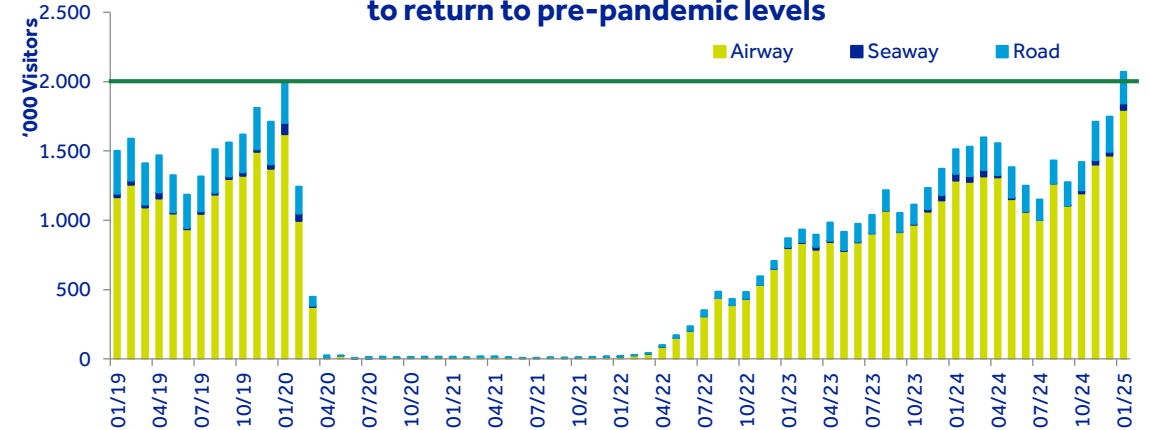
Domestic consumption surged thanks to the Lunar New Year, while Inflation rose due to festive demand

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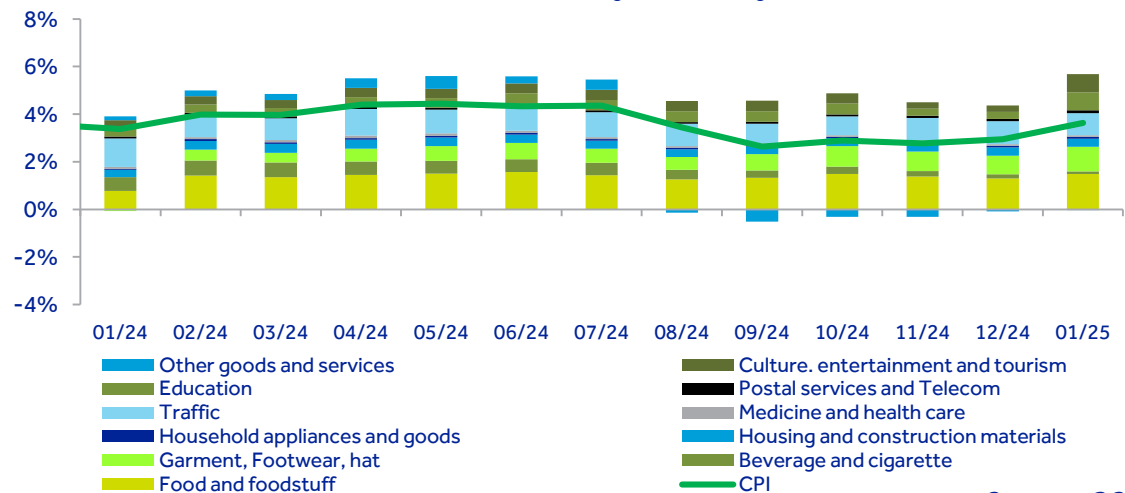
Total retail sales of goods and services saw strong growth during the holiday season



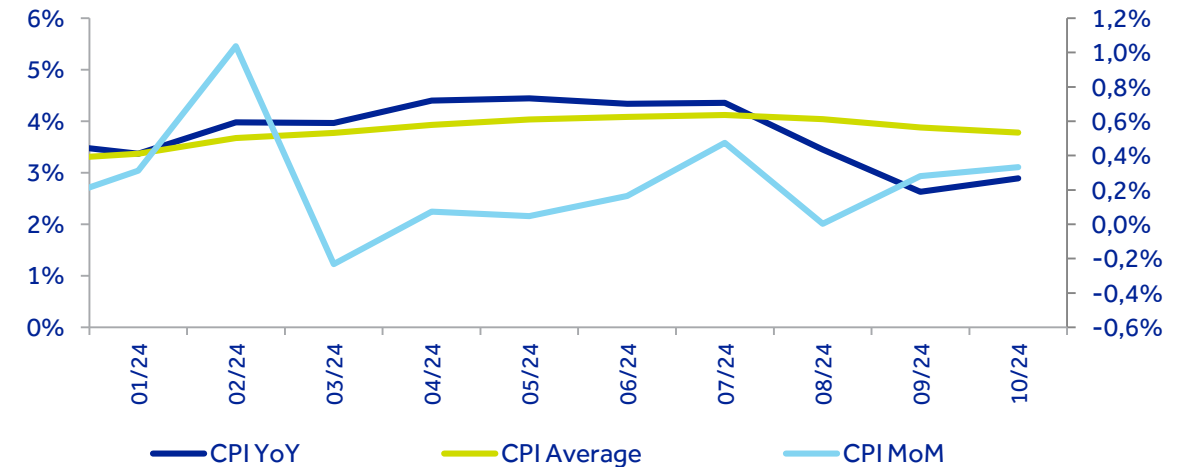
The number of international visitors to Vietnam continued to return to pre-pandemic levels



Inflation increased in January, driven by Lunar New Year demand



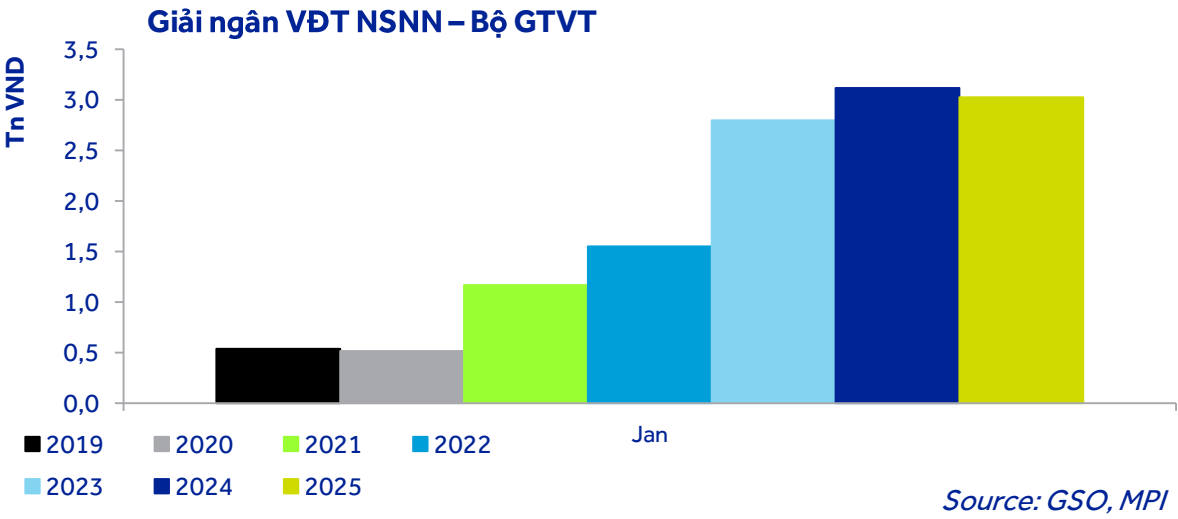
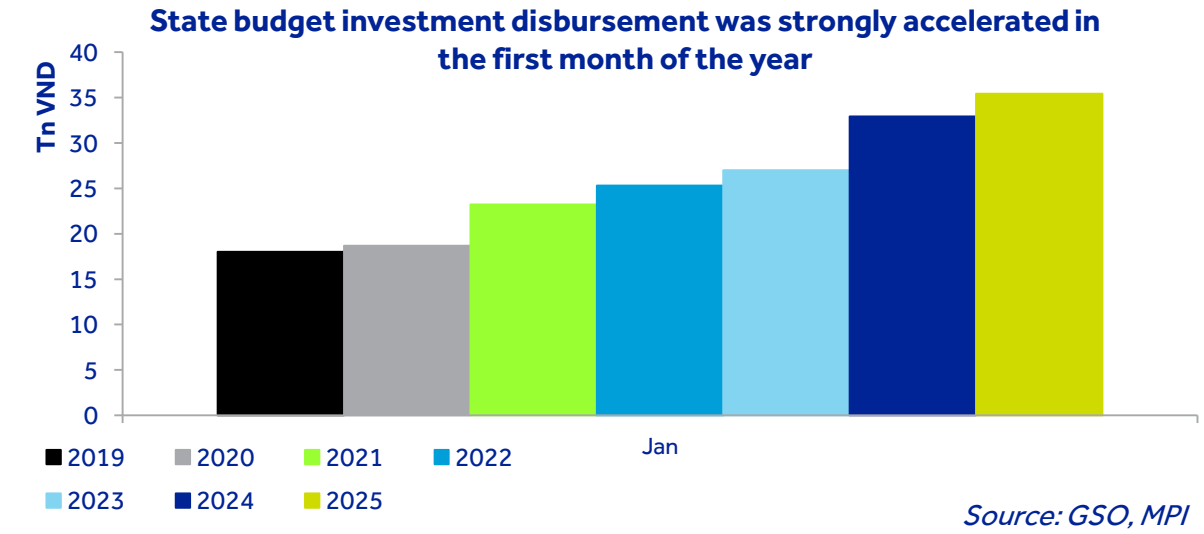
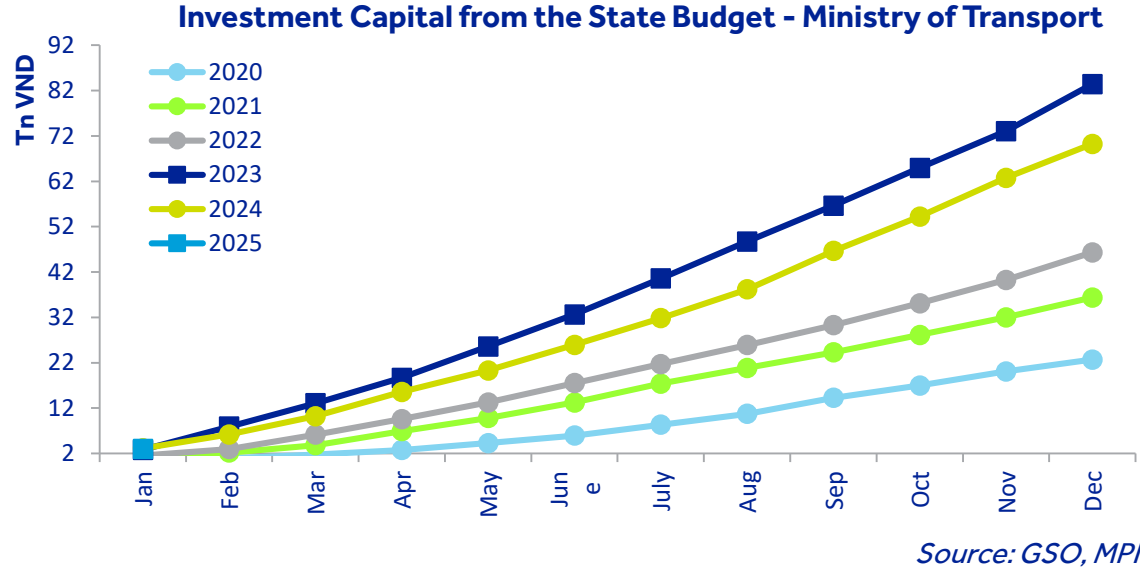
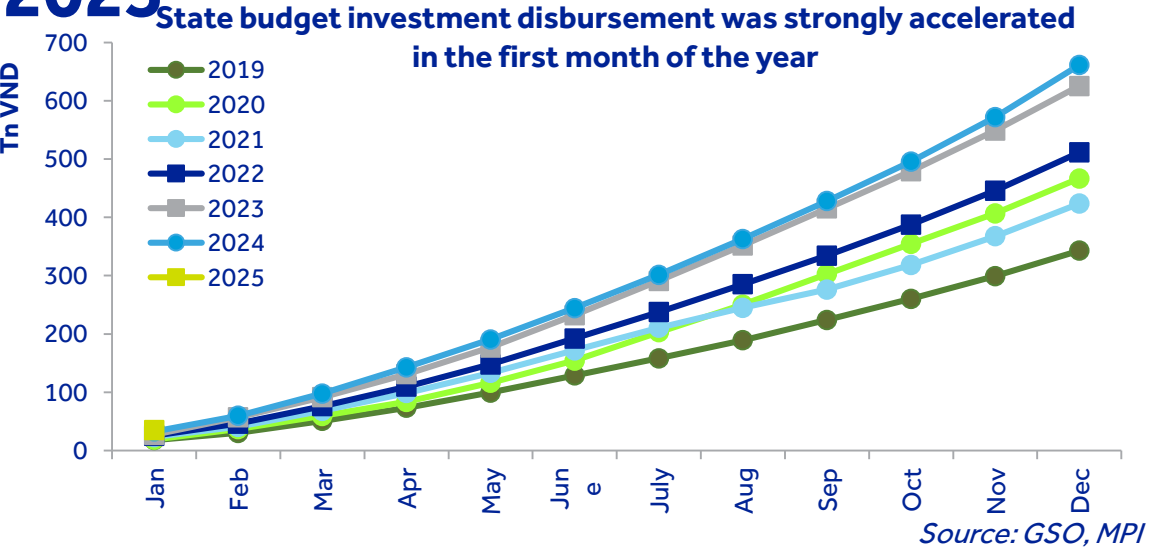
Inflation rose during the holiday season in January



Public investment disbursement increased by 9.6% YoY, reflecting the commitment to boosting public investment in

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2025



VIETNAM-KEY MACRO INDICATORS

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Monthly 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
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%	0.6%
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
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%
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%
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%
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%	-4.3%
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%	-2.6%
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
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
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
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

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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