

MACRO UPDATE

December 2025

A RESILIENT REBOUND

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KEY TAKEAWAYS ON MONTHLY ECONOMIC DATA

SPOTLIGHT

Economic indicators for December 2025 depict a broad-based recovery underpinned by synchronized domestic growth engines. The resurgence in consumption and manufacturing, coupled with accelerated public investment disbursement and credit expansion, has established a robust foundation to target 10% GDP growth in 2026, even amidst persistent external uncertainties.

- GDP growth accelerated in 4Q2025, registering a record high of 8.46% YoY, which propelled full-year FY2025 growth to 8.02%, successfully fulfilling the Prime Minister's mandate.** The primary drivers in the fourth quarter stemmed from the distinct improvement in industrial manufacturing and consumption activities during December.
- Retail sales picked up momentum in December, spearheaded by improvements in goods retailing (+3.8% MoM) and a surge in tourism activity (+5.3% MoM).** Consequently, December retail sales are estimated to have expanded by +3.9% MoM and +9.8% YoY (accelerating from +7.15% YoY in Nov). On a cumulative basis, retail sales rose +9.2% YoY for the full year, or +6.7% excluding price factors.
- The Index of Industrial Production (IIP) sustained its upward trajectory, supported by automotive and food manufacturing, while sectors facing tariff headwinds—such as textiles and footwear—exhibited signs of recovery.** December IIP reached +2.2% MoM and +10.1% YoY, bringing the FY2025 growth to +9.23% YoY. Notably, the Manufacturing PMI stood at 53 in December, extending the streak of improving business conditions to six consecutive months, with business confidence hitting a 21-month high.
- Export activity accelerated in December, predominantly driven by the FDI sector,** which recorded growth of 38.4% YoY (accelerating from +28.8% YoY in Nov); conversely, export value from the domestic sector contracted by 10.1% YoY. The trade balance recorded a deficit of US\$0.66bn in December. For FY2025, the trade balance posted a surplus of US\$20.03bn (compared to +US\$24.94bn in 2024). Specifically, the domestic sector recorded a trade deficit of US\$29.43bn, while the FDI sector (including crude oil) achieved a surplus of US\$49.46bn.
- FDI inflows remained stable,** bolstered by capital expansion from existing enterprises. As of December 31, 2025, total registered FDI into Vietnam reached US\$38.42bn (+0.5% YoY). Disbursed FDI capital amounted to approximately US\$27.6bn (+9% YoY).
- Public investment disbursement continued to be expedited;** as of December 25, total disbursed capital reached VND635.6tn, fulfilling 69.6% of the plan assigned by the Prime Minister. We anticipate that public investment disbursement will further accelerate in 2026, as legal amendments regarding bidding and disbursement procedures are streamlined to expedite implementation.

MACRO INDICATORS

Monthly Data	Dec-2025	MoM	YoY	YTD
PMI	53.0	-	-	-
Industrial Production (YoY) (IIP)	-	+2.20%	+10.10%	+9.23%
Retail Sales of Goods and Services (Trillion VND)	627.8	+3.86%	+9.81%	+9.25%
Export Value (Bn USD)	44.03	+12.68%	+23.80%	+17.02%
Import Value (Bn USD)	44.69	+17.65%	+27.69%	+19.42%
Trade Balance (Bn USD)	-0.66	-225.20%	-160.08%	-19.68%
Disbursed FDI (Bn USD)	4.02	+74.78%	+9.54%	+8.95%
Registered FDI excluding Capital Contribution (Bn USD)	4.73	+117.97%	-30.97%	+0.50%
Disbursement of public investment (Tn VND)	111.53	+15.30%	+29.46%	+28.64%

KEY TAKEAWAYS ON MONETARY POLICIES

SPOTLIGHT

In December, the State Bank of Vietnam (SBV) maintained an accommodative monetary stance with a neutral interest rate environment, while regulating interbank liquidity through open market operations (OMO) and new instruments; a notable measure included executing USD-VND swap transactions to support year-end liquidity.

- Inflationary pressures subsided in December, balanced by deflationary effects from petrol prices against the upward momentum in food prices (+5.2% YoY) and dining services (+4.2% YoY).** The headline CPI for FY2025 rose by 3.31% compared to 2024, remaining well below the Prime Minister's control target of 4.5%. Core inflation remained stable at +3.27% YoY (Nov: +3.28% YoY).
- Credit growth reached 17.87% YTD as of December 24, whereas deposit growth stood at approximately 14.1%.** The persistent divergence between mobilization and lending underscores the critical role of liquidity regulation by the SBV and State Treasury on the interbank channel, evidenced by a record OMO circulation volume exceeding VND400tn and Treasury deposit balances nearing VND482tn at month-end; concurrently, the balance of USD-VND swap transactions was maintained at approximately VND60tn.
- Liquidity constraints during the year-end period exerted upward pressure on interbank interest rates,** with overnight and one-week tenors occasionally touching the 9% threshold, while the entire VND-USD interest rate differential (swap rates) was anchored between 3% and 5%. This high-interest rate environment continued to enhance the attractiveness of holding domestic currency; particularly given the abundant year-end inflows from remittances (Ho Chi Minh City recorded US\$10.5bn in 2025). The exchange rate cooled significantly in December across both commercial banks and the free market, declining by 0.13% and 3.28% MoM, respectively.
- Looking toward 2026,** we project that deposit and lending rates will maintain their elevated trend through 1Q2026 until exchange rate pressures gradually abate, pending clearer signals regarding the Fed's new leadership. In practice, despite some caution, the SBV's orientation toward monetary easing—targeting 15% credit growth—is expected to sustain pressure on exchange rates and inflation in 2026, while indirectly maintaining liquidity pressure due to the prolonged credit-deposit gap.

MACRO INDICATORS

Monthly Data	Dec-2025	MoM	YoY	YTD
Consumer Price Index (CPI)	-	+0.19%	+3.48%	+3.31%
USDVND Exchange rate*	26,377	-0.13%	+3.23%	+3.23%
USDVND Exchange rate on the free market**	26,820	-3.28%	+3.75%	+3.75%
Refinancing rate	4.50%	+0 ppt	+0 ppt	+0 ppt
OMO Interest rate (Monthly Avg.)	4.50%	+0.5 ppt	+0.5 ppt	+0.5 ppt
Overnight Interbank Interest rate (Monthly Avg.)	6.19%	+0.8 ppt	+2.2 ppt	+2.0 ppt

*Ask rate by Vietcombank on 12/31/2025
 **Average bid-ask rate on 12/31/2025

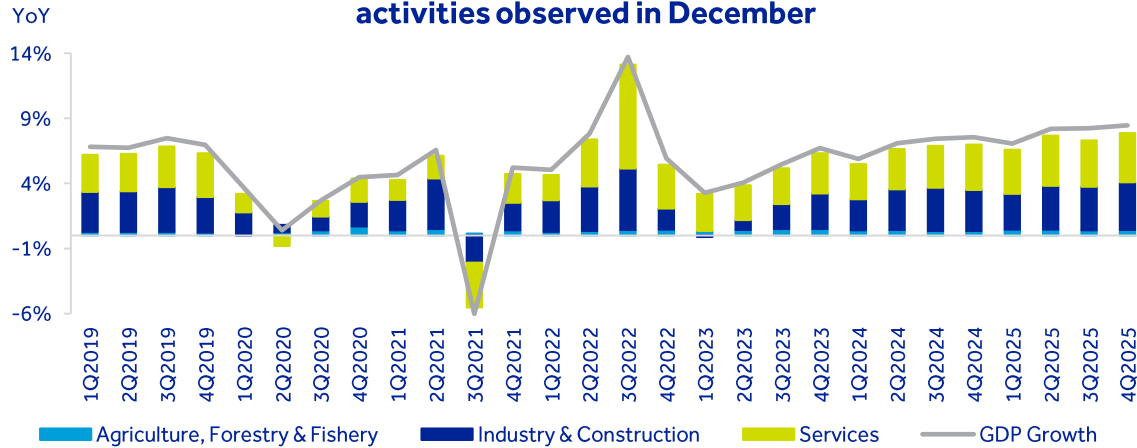
FY2025 GDP GROWTH REACHES 8.02%

Tuan Thanh Dong

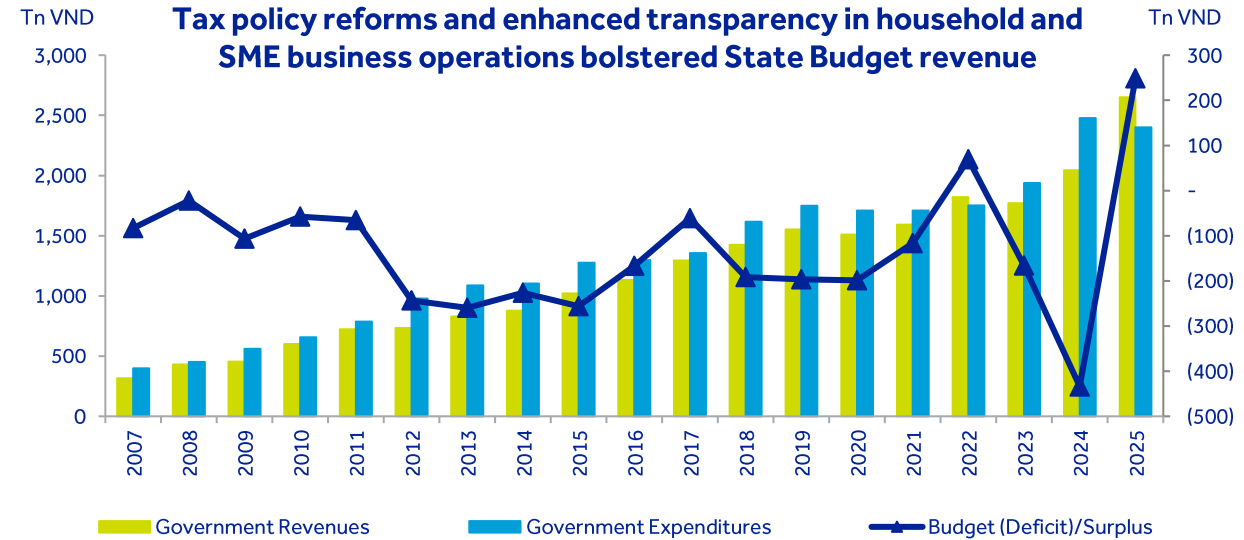
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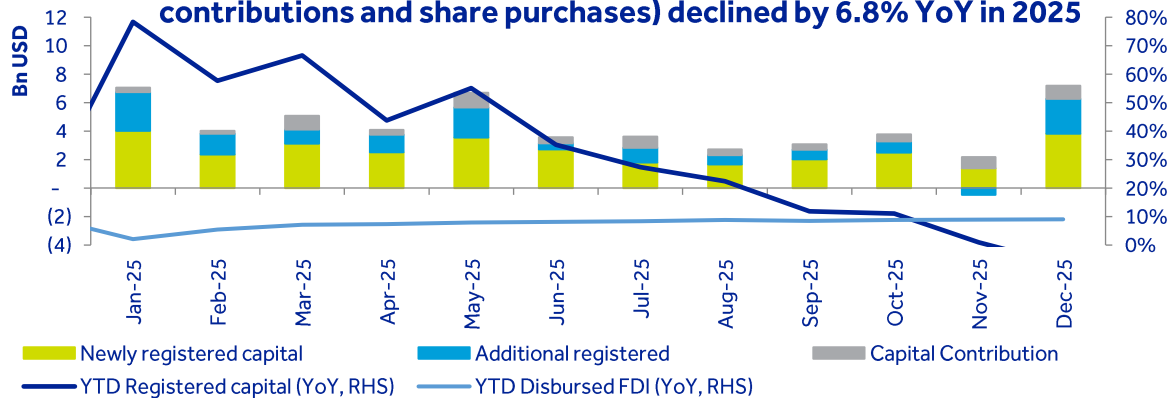
GDP growth was bolstered by domestic factors, with simultaneous improvements in consumption and manufacturing activities observed in December



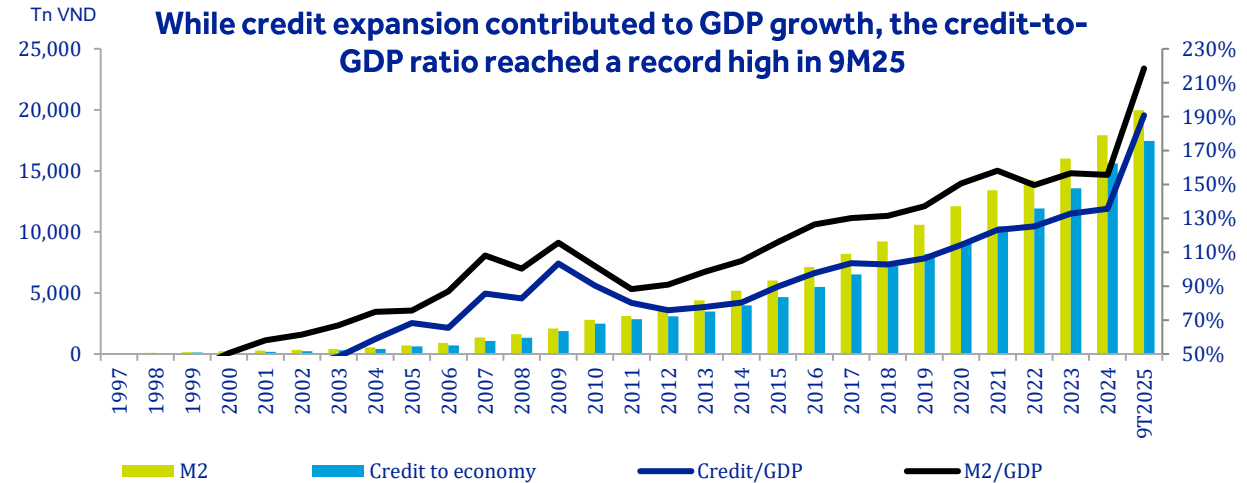
Tax policy reforms and enhanced transparency in household and SME business operations bolstered State Budget revenue



FDI inflows were primarily sustained by the confidence of existing enterprises, as total registered capital (excluding capital contributions and share purchases) declined by 6.8% YoY in 2025



While credit expansion contributed to GDP growth, the credit-to-GDP ratio reached a record high in 9M25

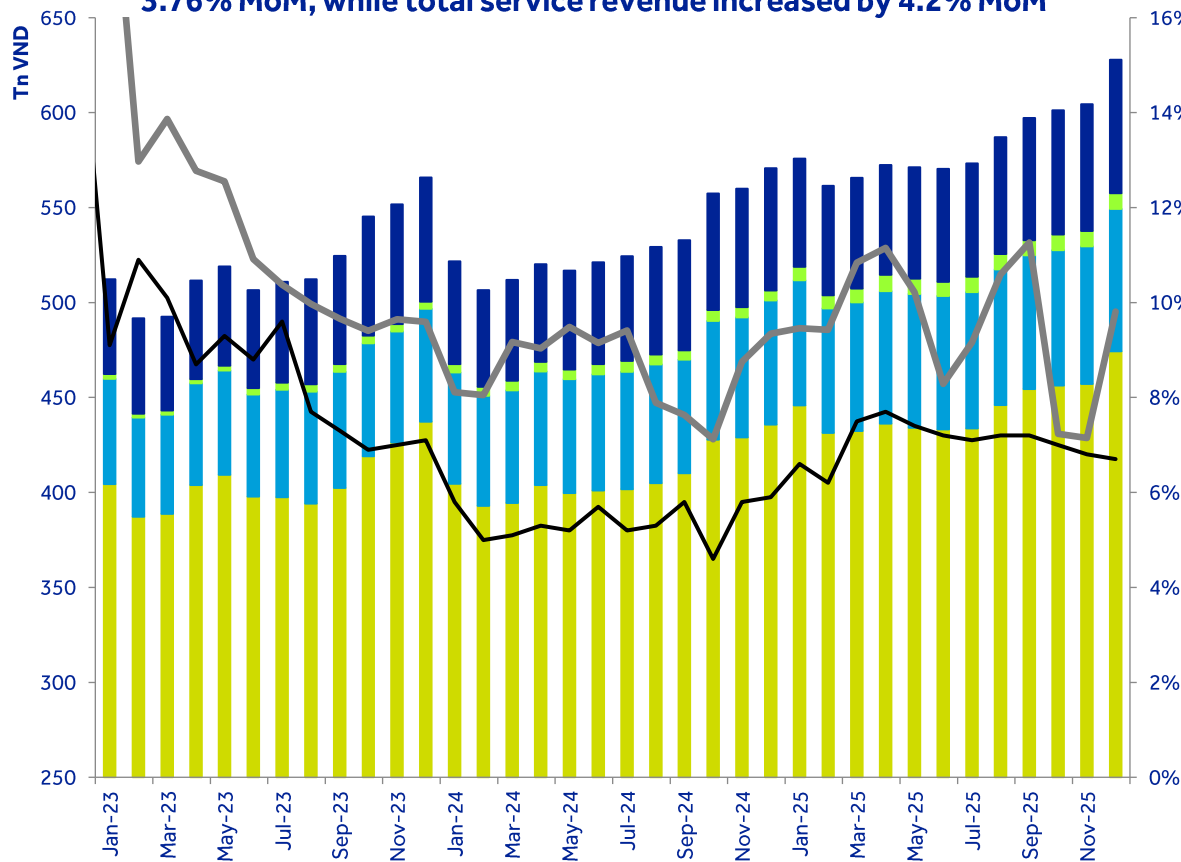


Source: GSO

Source: GSO, Ministry of Finance

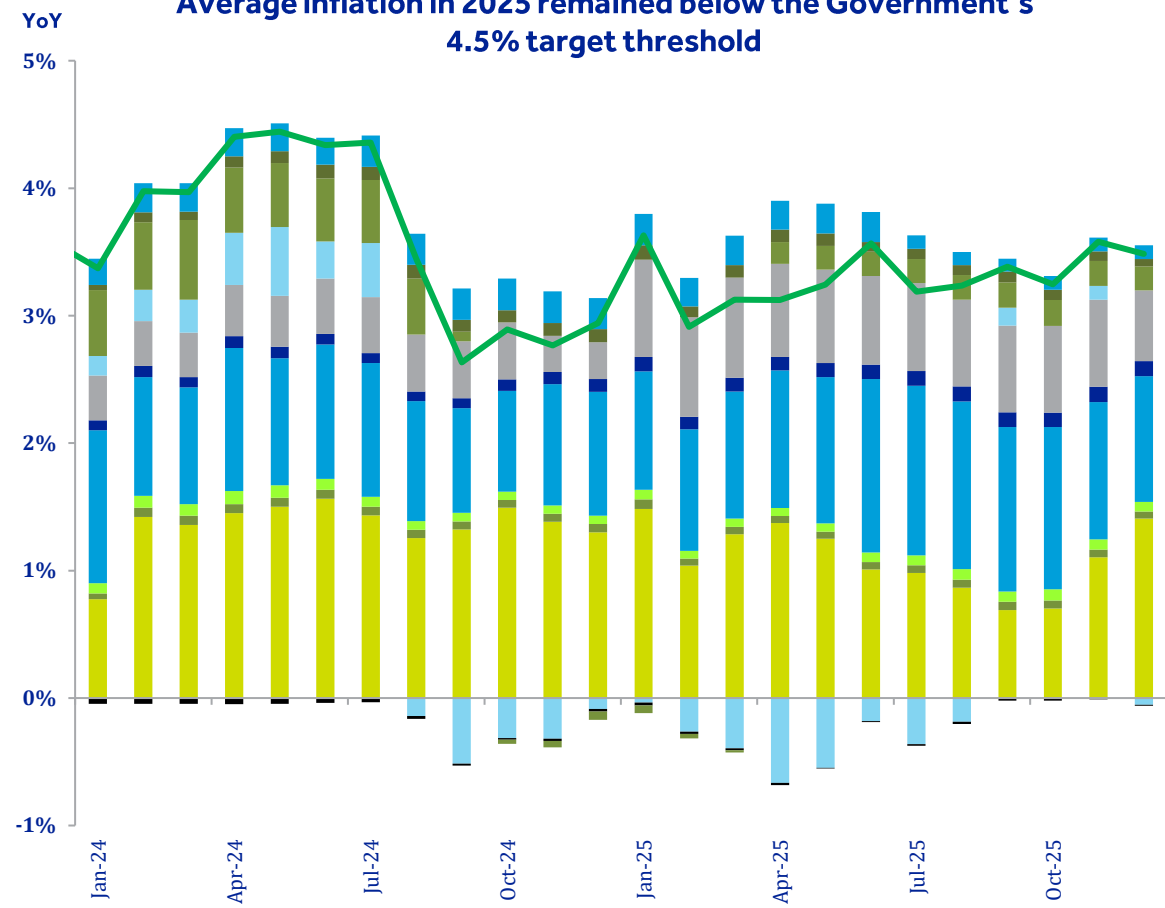
CONSUMPTION ACTIVITY RALLIES IN DECEMBER

Retail sales of goods improved significantly in December, rising 3.76% MoM, while total service revenue increased by 4.2% MoM



- Goods
- Accom. & Catering service
- Traveling service
- Other services
- %Growth y/y (RHS)
- Growth adjusted Inflation YoY

Average inflation in 2025 remained below the Government's 4.5% target threshold



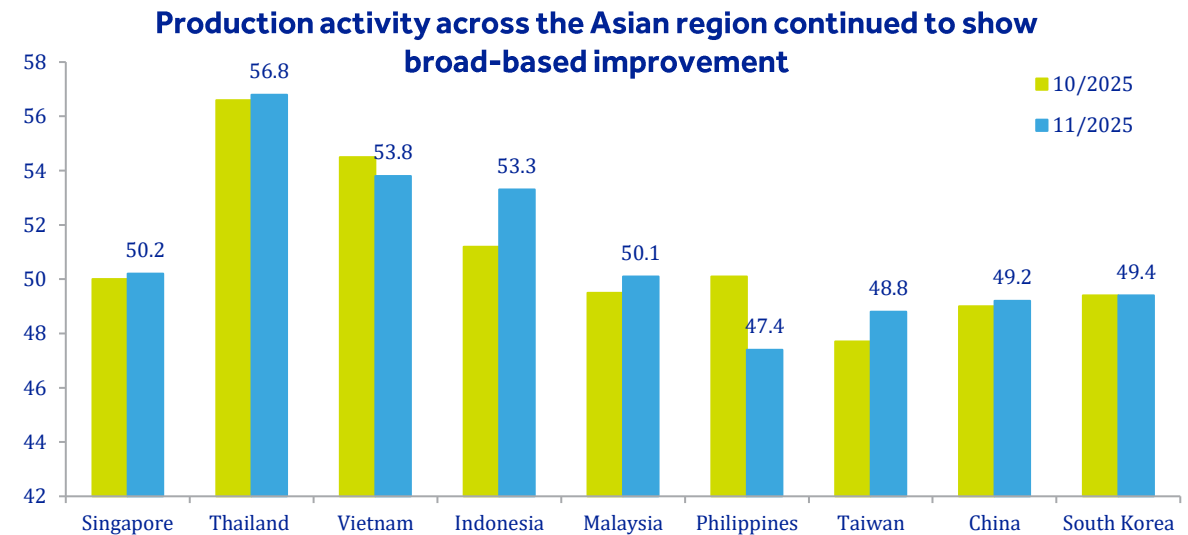
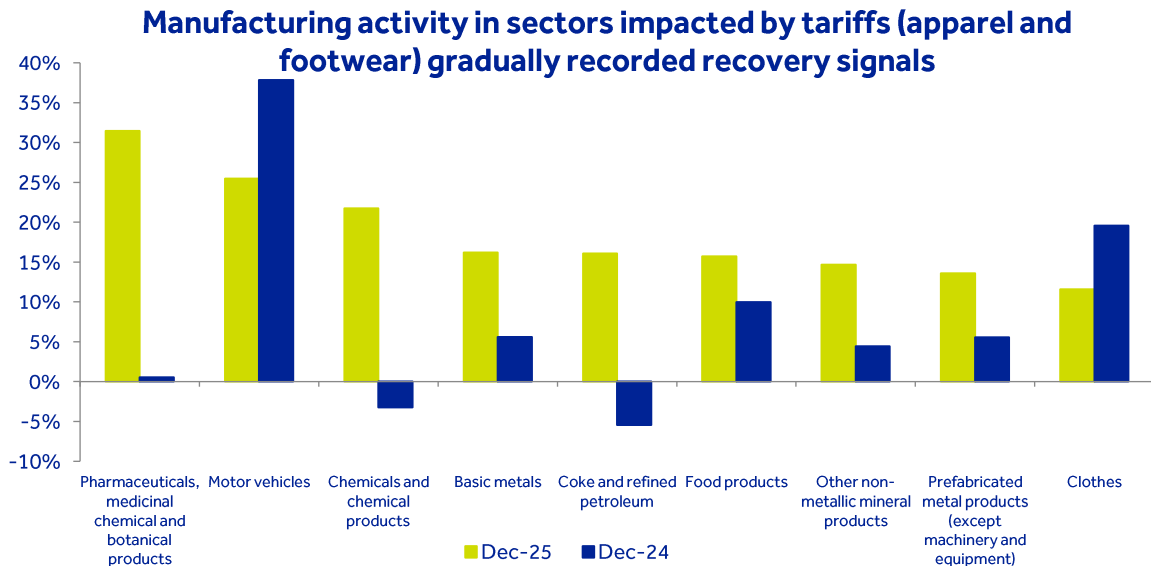
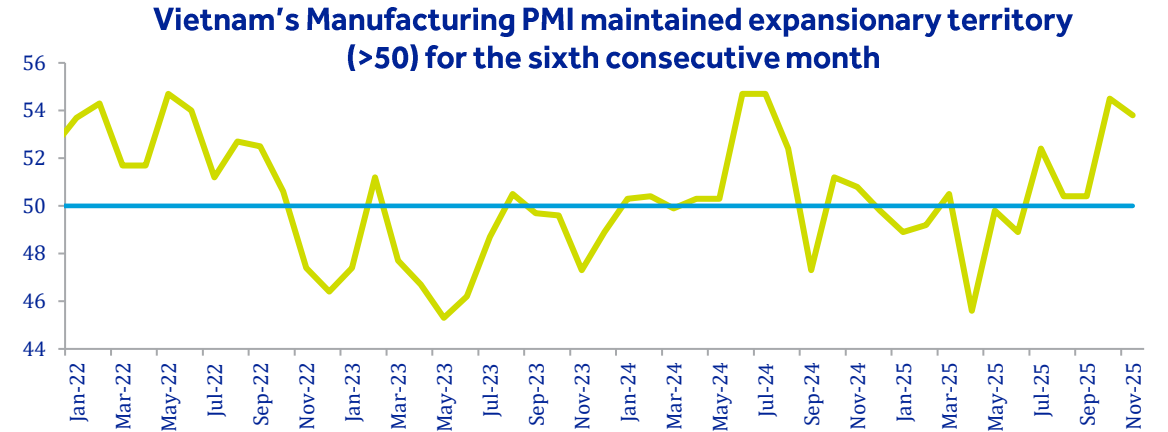
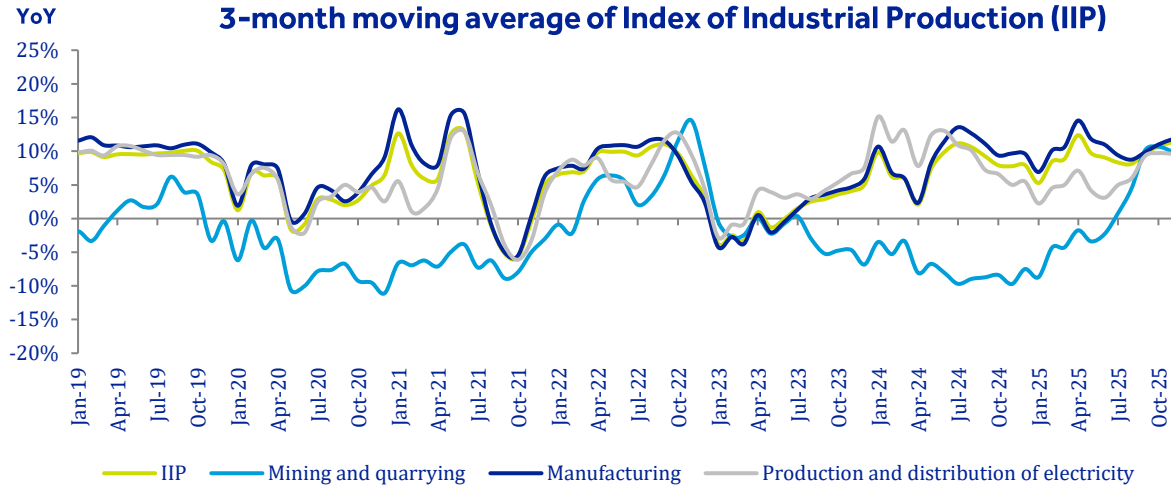
- Other goods and services
- Culture, entertainment and tourism
- Education
- Postal services and Telecom
- Traffic
- Medicine and health care
- Household appliances and goods
- Housing and construction materials
- Garment, Footwear, hat
- Beverage and cigarette
- Food and foodstuff
- CPI

Source: GSO

Source: GSO

MANUFACTURING ACTIVITIES SUSTAINED IMPROVEMENT

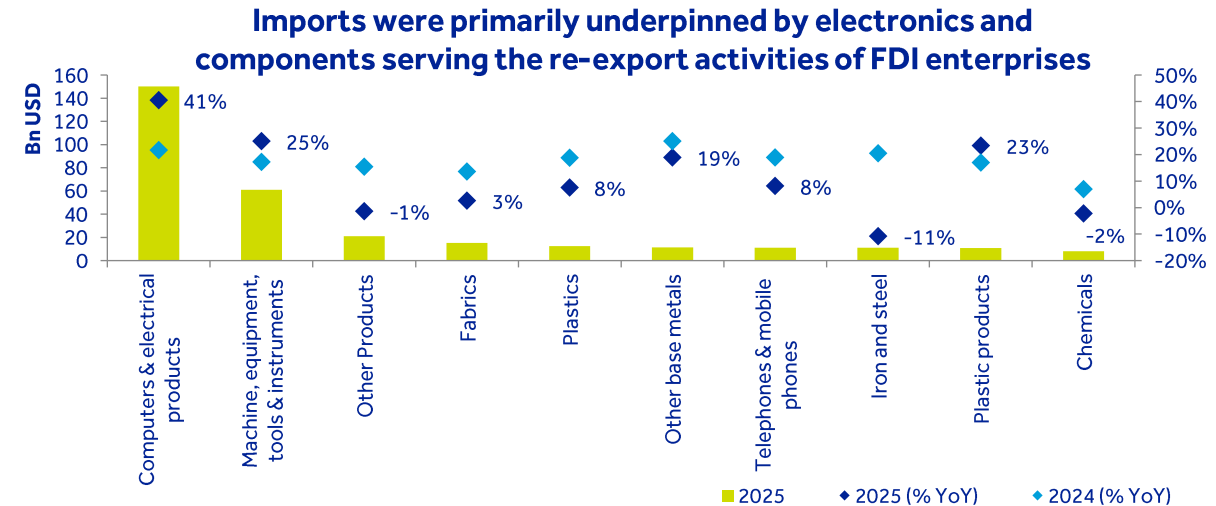
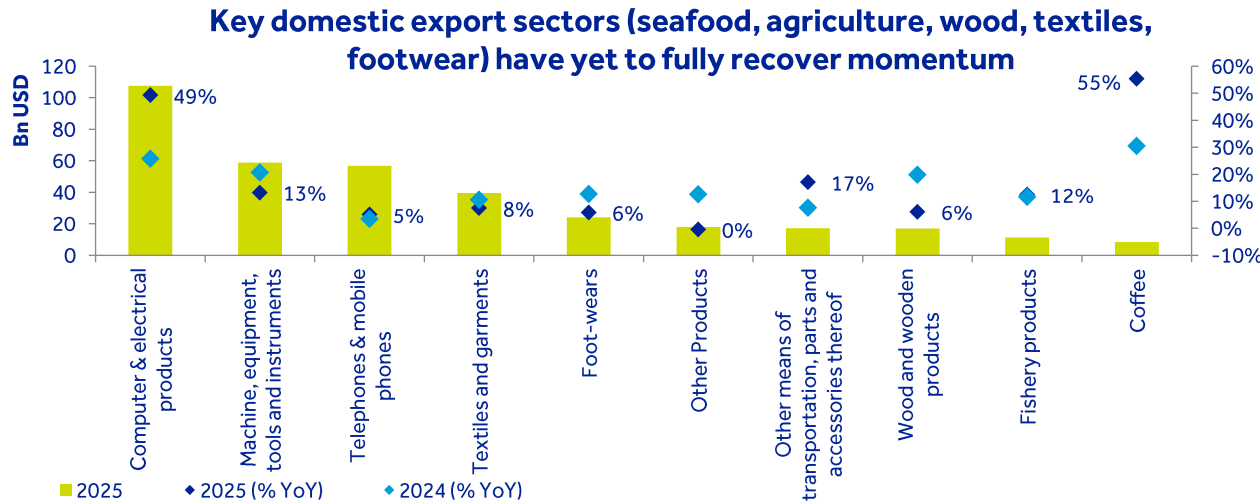
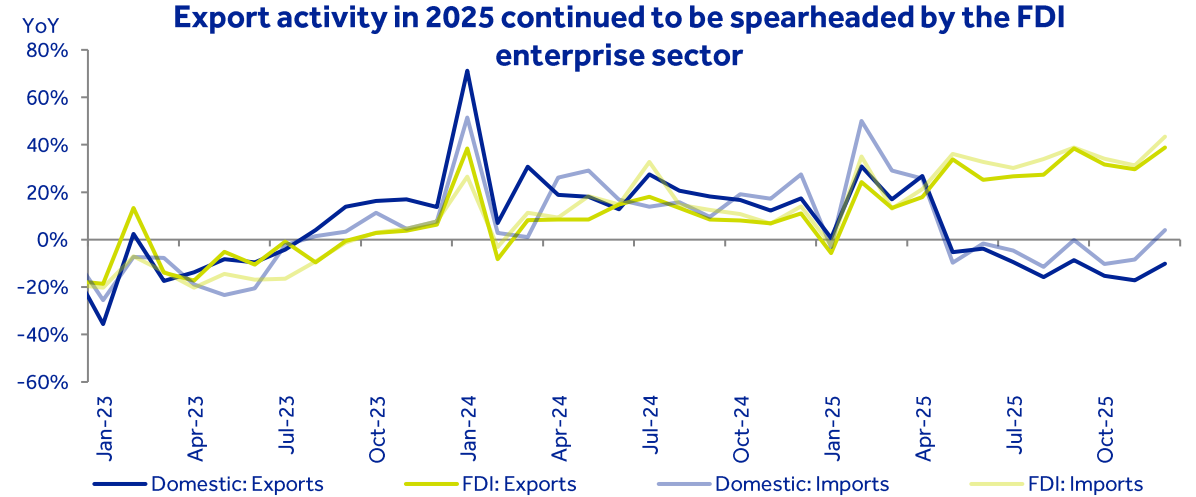
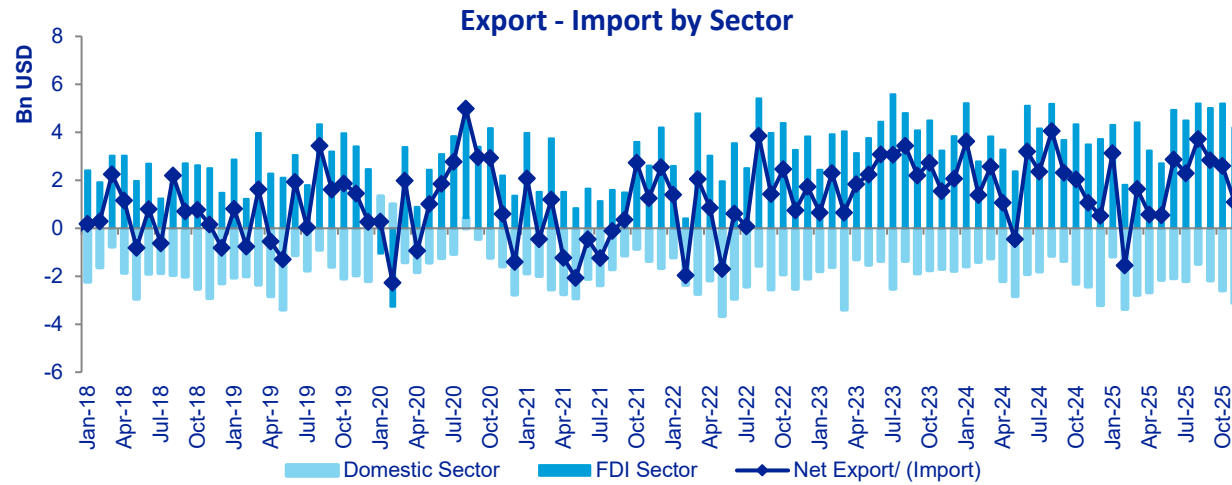
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Source: GSO

Source: S&P Global

EXPORT EXPECTED TO ACCELERATE IN 2026

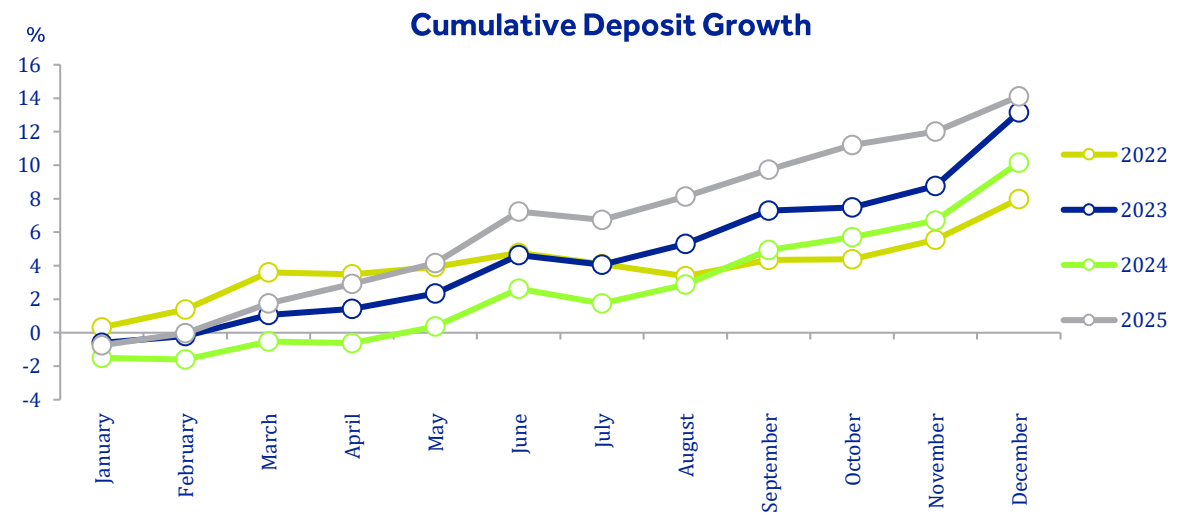
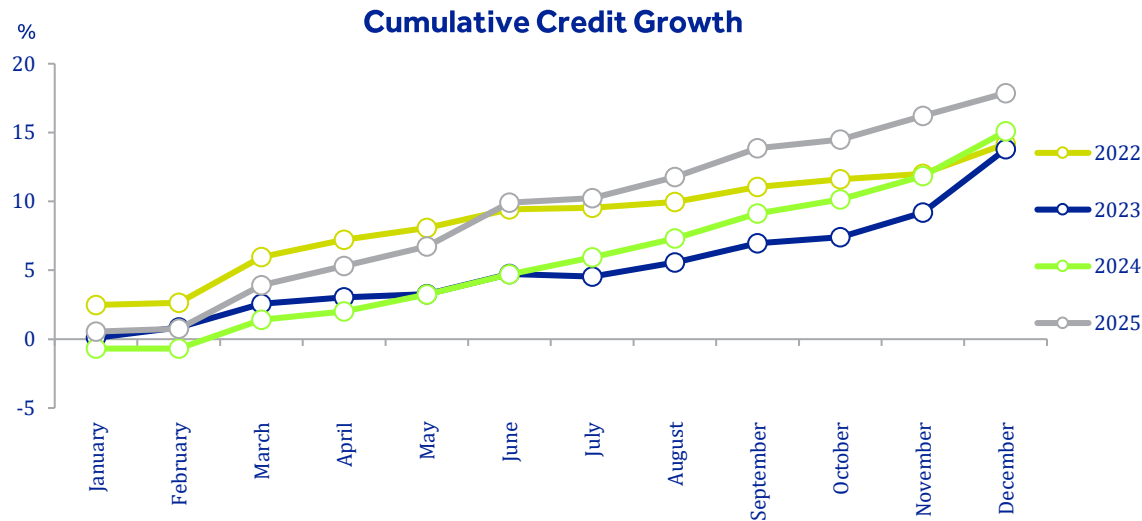
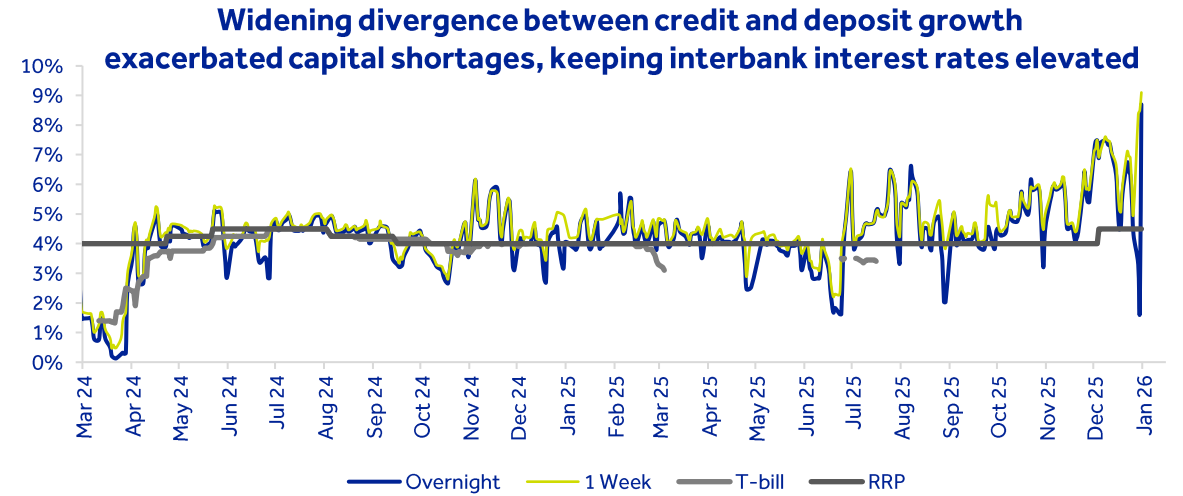
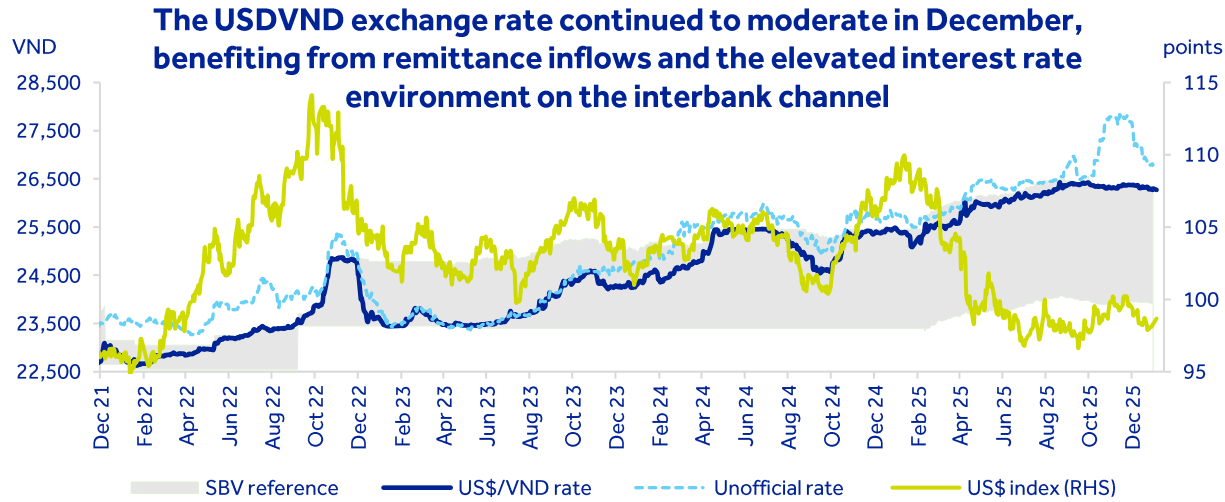


Source: GSO

Source: GSO

EXCHANGE RATE COOLS AMIDST ELEVATED INTEREST RATES

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Source: SBV, FiinPro, ACBS

Source: SBV, FiinPro, ACBS

VIETNAM-KEY MACRO INDICATORS

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Monthly data	Dec-24	Jan-25	Feb-25	Mar-25	Apr-25	May-25	Jun-25	Jul-25	Aug-25	Sep-25	Oct-25	Nov-25	Dec-25
Industrial Production (YoY)	8.8%	-1.0%	17.6%	9.9%	9.6%	9.6%	8.0%	7.4%	8.9%	12.7%	10.8%	9.1%	10.1%
Purchasing Managers Index	49.80	48.90	49.20	50.50	45.60	49.80	48.90	52.40	50.40	50.40	54.50	53.80	53.00
Retail Sales (YoY)	9.3%	9.5%	9.4%	10.8%	11.1%	10.2%	8.3%	9.2%	10.6%	11.3%	7.2%	7.1%	9.8%
Consumer Price Index (MoM)	2.9%	3.1%	2.9%	3.1%	3.1%	3.3%	3.3%	3.3%	3.2%	3.2%	3.3%	3.3%	3.3%
Consumer Price Index (YoY)	2.9%	3.6%	2.9%	3.1%	3.1%	3.2%	3.6%	3.2%	3.2%	3.4%	3.2%	3.6%	3.5%
Export Value (% YoY)	27.5%	-3.2%	50.0%	29.1%	25.7%	-9.7%	-1.6%	-4.7%	-11.5%	-0.2%	-10.2%	-8.4%	4.1%
Import Value (% YoY)	14.0%	-2.5%	35.1%	13.0%	21.2%	36.2%	32.8%	30.3%	33.9%	38.8%	34.1%	31.3%	43.4%
Trade Balance (BnUSD)	0.52	3.13	-1.55	1.63	0.58	0.55	2.86	2.29	3.72	2.85	2.60	1.09	-0.66
Disbursed FDI (BnUSD)	3.67	1.51	1.44	2.01	1.78	2.16	2.82	1.88	1.80	3.40	2.50	2.30	4.02
Registered FDI exl Cap. Cont.(BnUSD)	6.37	4.01	2.36	3.12	2.50	3.54	2.71	1.78	1.66	2.02	2.48	1.40	3.82
Disbursed investment from State budget (Tn VND, YTD)	661.3	35.4	73.2	116.9	165.6	221.8	301.8	378.3	463.2	549.1	640.2	735.1	850.7

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