

MACRO OUTLOOK Q4 2025

ON TRACK WITH GROWTH TARGETS



- **Economic growth in Q3 remained broadly on target despite the implementation of new tariffs from August 1, 2025.** This was supported by resilient growth in the manufacturing and export sectors (led by FDI enterprises), stable private investment and consumption, and continued contributions from public investment. A notable feature of Q3 growth was the recovery of the mining sector and the broader contribution of other industries to overall expansion.
- **The divergence in growth between the FDI and domestic sectors suggests that U.S. tariffs may have had a positive impact on FDI-related exports,** as demand from the U.S. market remained solid and trade diversion to avoid China's higher tariffs continued in the absence of new U.S. measures on transshipment identification.
- **Public investment continued to be the key growth driver, while private investment remained below the Government's expectations.** However, achieving the 100% disbursement target assigned by the Prime Minister in Q4 will be challenging, as new difficulties emerged in Q3, including local government restructuring at two administrative levels and natural disasters disrupting project implementation.
- **The continued inflow and disbursement of FDI amid trade tensions is a remarkable point.** As noted, U.S. tariff policies have benefited Vietnam's FDI-related exports; however, there are clear risks should U.S. demand weaken or should Washington tighten its scrutiny over transshipped goods. Consequently, FDI inflows in the manufacturing sector have remained stable rather than accelerating.
- **Credit expanded rapidly in tandem with GDP growth, though the acceleration was uneven across industries.** At the same time, the sharp rise in asset markets (gold, real estate, and equities) has become a focal point in the economic landscape. Fortunately, inflation and exchange rates remain under control, thanks to favorable external factors (a supply-driven inflation structure, a weaker U.S. dollar, etc.). In addition, certain government interventions have helped ease short-term exchange rate pressures.
- **The Government continues to pursue ambitious growth targets for the remaining months of 2025 and for 2026.** We believe the 8.0% growth target for 2025 is achievable based on the results of the first nine months. However, to reach the 10% growth goal in the following year, the economy will require deep structural reforms.

9M2025 Macroeconomic indicators compared to 2025 Target

	2025 Target (new)	2024 Actual	1Q25 Actual	2Q25 Actual	3Q25 Actual	1H25 Actual	9M25 Actual
GDP growth	8.3-8.5%	7.1%	7.1%	8.2%	8.2%	7.5%	7.9%
– Agriculture, forestry & fishery	3.9%	3.3%	3.8%	4.0%	3.7%	3.8%	3.8%
– Industry & construction	9.8-10.1%	8.2%	7.6%	8.8%	9.5%	8.3%	8.7%
– Services	8.5-8.6%	7.4%	7.8%	9.1%	8.6%	8.1%	8.5%
– Taxes & subsidies	6.4-6.7%	5.7%	5.0%	6.0%	6.6%	5.4%	5.9%
Industrial Production Index	9.5%	8.4%	8.3%	9.3%	10.0%	9.2%	9.1%
Retail Sales of Goods & Services	12.0%	9.0%	9.5%	9.0%	10.1%	9.3%	9.5%
Export-Import Turnover ¹	12.0%	15.4%	13.8%	19.8%	19.3%	16.6%	17.5%
Trade surplus (\$ billion)	30	25	3.2	4.5	8.9	7.7	16.8
Electricity Production & Imports	12.5-13.0%	10.1%	5.0%	2.7%	8.8%	3.7%	5.5%
Public Investment ²	31.2%	-4.6%	21.8%	25.9%	32.5%	24.2%	27.8%
Private Investment	14.3%	7.7%	5.5%	8.9%	8.2%	7.5%	7.8%
FDI	9.3%	9.4%	7.1%	8.8%	9.0%	8.1%	8.5%
Inflation	< 4.5%	3.6%	3.2%	3.3%	3.3%	3.3%	3.3%
Credit growth ³	> 16.0%	15.1%	17.9%	19.2%	19.6%	19.2%	19.6%
FX USDVND ⁴	na	25,551	25,740	26,300	26,446	26,300	26,446

Source: GSO, SBV, RongViet Securities, ¹ exports grew by 16.4% and imports increased by 18.8% YoY in 9M25. ² According to the GSO's estimates, actual public investment capital disbursed from the state budget, as reported by the MoF, reached over VND481 trillion by the end of Sep 2025, an increase of 48% compared to the same period last year. ³ The figures are calculated as of the end of the quarter/the end of the month. ⁴ The exchange rates from Vietcombank, at the end of the quarter, month, and year.

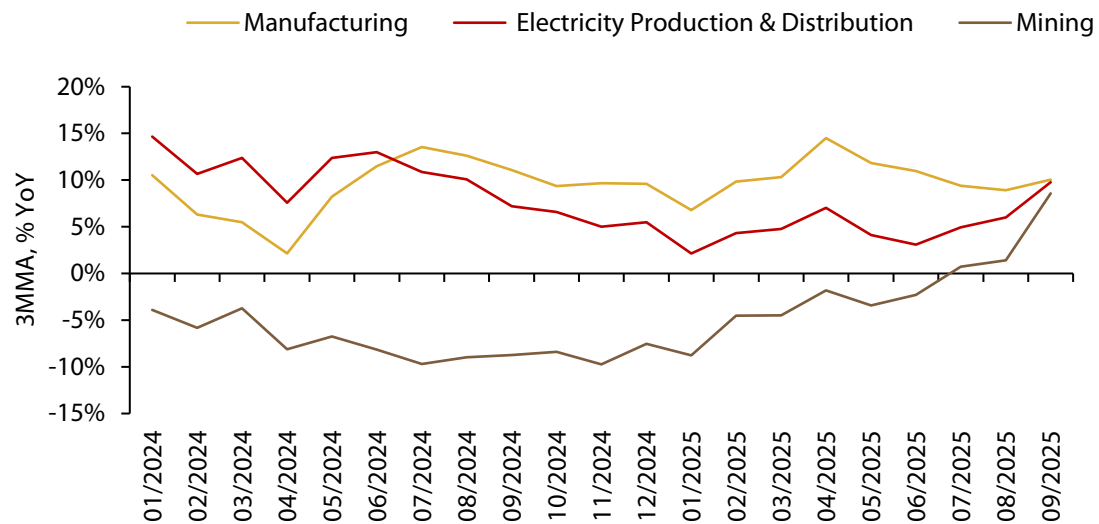
- **Vietnam's GDP expanded by 8.23% YoY in Q3 2025**, slightly higher than the revised 8.19% growth recorded in Q2 2025. This marks the strongest quarterly growth since 2007, excluding the post-COVID rebound in Q3 2022.
- Growth momentum continued to come primarily from the industrial production sector, which rose 10.0% YoY, contributing 2.4 percentage points to overall GDP growth. Notably, the mining sector recovered strongly (+7.8%), while other sectors accelerated (+8.6%). Together, these two components added 2.6 percentage points to overall growth, up from 2.1 percentage points in 2024.
- The retail sector recorded a 9.0% YoY increase, higher than the rate seen in the first half of the year. Meanwhile, transportation and accommodation/food services grew robustly, both exceeding 10% YoY. Collectively, retail, transport, and hospitality services contributed 1.7 percentage points to GDP growth.
- Regarding public investment, the construction component of GDP showed a slowdown in Q3 compared with the previous quarter, rising 7.9% YoY, notably lower than the 9.3% and 10.9% growth rates recorded in Q1 and Q2, respectively. This trend is consistent with the slower public investment disbursement observed during the third quarter.

Vietnam's GDP breakdown

	3Q24	4Q24	1Q25	2Q25	3Q25	3Q24	4Q24	1Q25	2Q25	3Q25
	% YoY					% Contribution to growth				
Economic growth	7.4	7.6	7.0	8.2	8.2	7.4	7.6	7.0	8.2	8.2
Agriculture	2.9	3.0	3.8	4.0	3.7	0.3	0.3	0.4	0.4	0.4
Mining	(8.7)	(6.5)	(6.2)	(2.6)	7.8	(0.2)	(0.1)	(0.2)	(0.1)	0.2
Manufacturing	11.3	10.0	9.4	10.3	10.0	2.7	2.4	2.1	2.4	2.4
Construction	7.4	8.3	9.3	10.9	7.9	0.5	0.6	0.5	0.7	0.6
Retail	8.0	9.0	7.4	8.5	9.0	0.7	0.8	0.7	0.8	0.8
Transportation	9.9	10.0	10.4	11.0	10.7	0.5	0.5	0.6	0.7	0.6
Accommodation services	9.0	10.3	10.2	9.7	10.5	0.2	0.2	0.3	0.2	0.3
Financial services	7.7	9.3	6.3	7.1	7.7	0.4	0.5	0.3	0.4	0.4
Real estate	3.9	4.8	4.4	4.4	5.2	0.1	0.2	0.1	0.1	0.2
Others	7.8	8.2	7.3	10.0	8.6	2.1	2.1	2.1	2.5	2.4

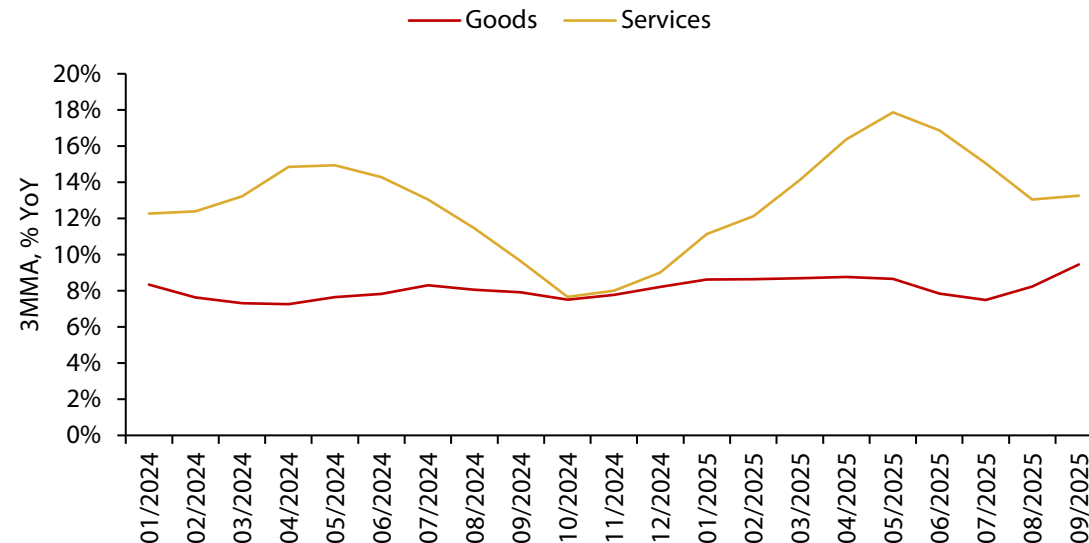
Source: GSO, RongViet Securities

Manufacturing growth



Source: GSO, RongViet Securities

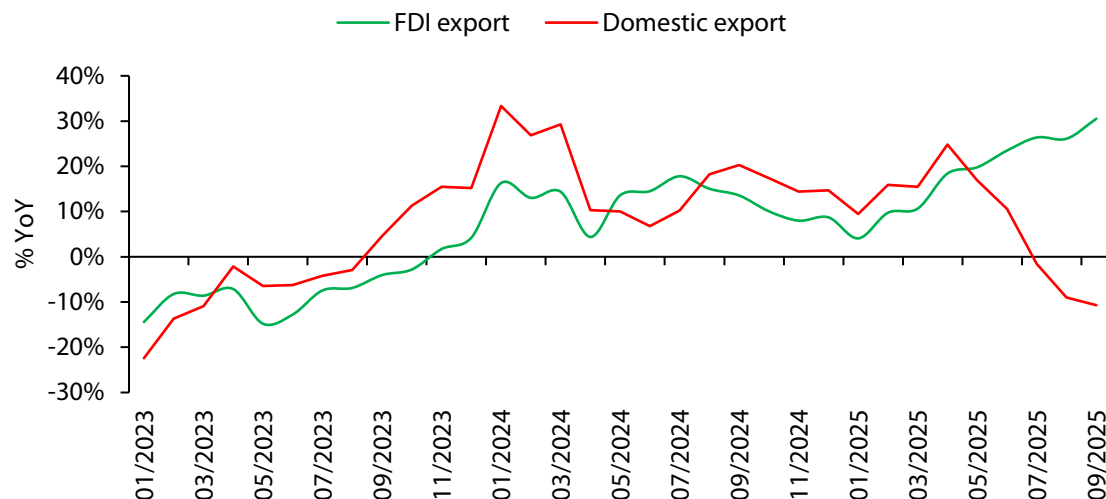
Retail sales growth



Source: GSO, RongViet Securities

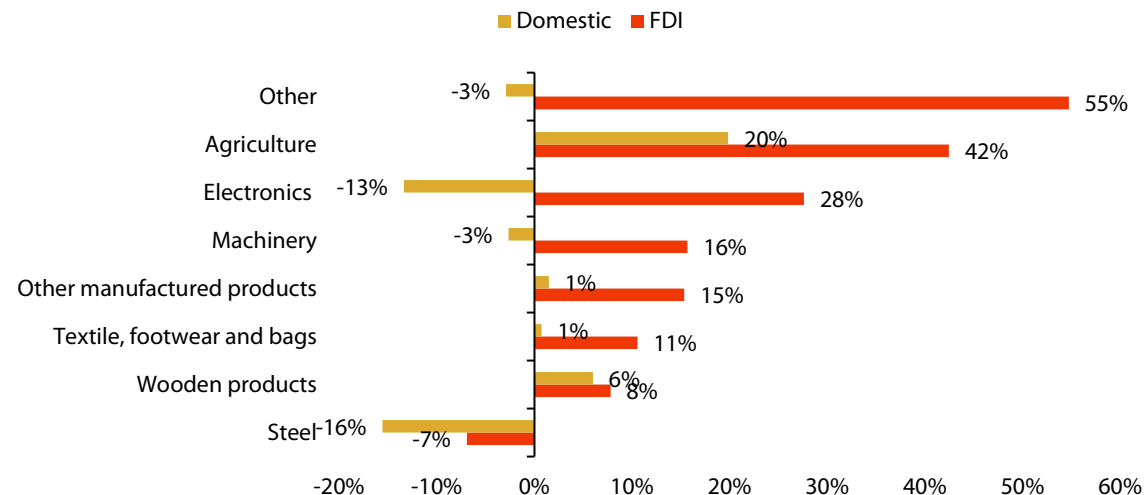
- **Vietnam's industrial production index in September 2025 surged by 13.6% YoY**, thanks to a strong performance in the manufacturing sector (+12.7%) and a sharp rise in electricity production (+15.4%). Notably, there was a remarkable rebound in the mining sector, particularly in coal extraction, which jumped 63% YoY.
- **This strong acceleration in September helped boost industrial output for Q3**, which grew by 10.0% YoY, compared with 9.3% in Q2 and 8.3% in Q1. This outcome contrasts with earlier concerns about the potential negative impacts of U.S. tariffs, a topic further discussed in the following section: *"Impacts of U.S. Tariffs on Vietnam's Trade in 9M2025."*
- On the consumption side, retail sales of goods in September improved from the previous month, rising 10.4% YoY, while retail sales of services also posted solid growth of 14.1% YoY. These gains contributed significantly to Vietnam's robust Q3 2025 economic performance.

Export growth by sector



Source: Customs, RongViet Securities

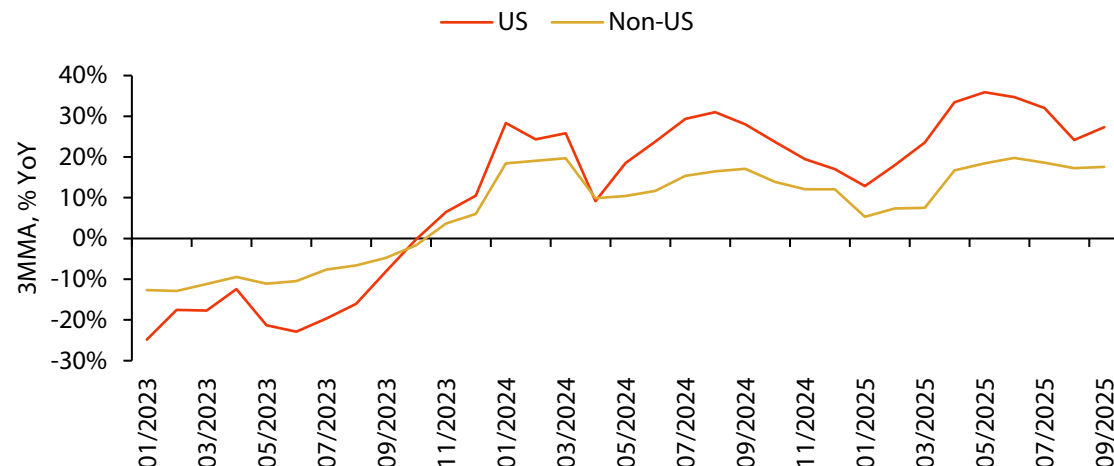
Export growth by item



Source: Customs, RongViet Securities

- **Since April 2025, there has been a noticeable divergence in export trends between domestic enterprises and FDI firms.** Specifically, FDI exports have continued to expand, with cumulative export growth in 9M2025 reaching +21.6% YoY. In contrast, exports by domestic firms have reversed direction, turning negative from June, with 9M2025 exports rising only 3.7% YoY.
- The growth disparity between the FDI and domestic sectors is particularly evident in “other unclassified products,” electronics, and machinery & equipment. While most other export categories recorded stagnant or negative growth, the bright spots for domestic exporters came from agriculture and fisheries, including seafood (+13.4%), coffee (+69.7%), and pepper (+16.9%).
- **This contrasting trend suggests that U.S. tariff measures have had a positive impact on FDI exports,** as part of the sector’s export growth likely stems from trade diversion, the relocation of production and shipment channels to avoid higher tariffs on Chinese goods.

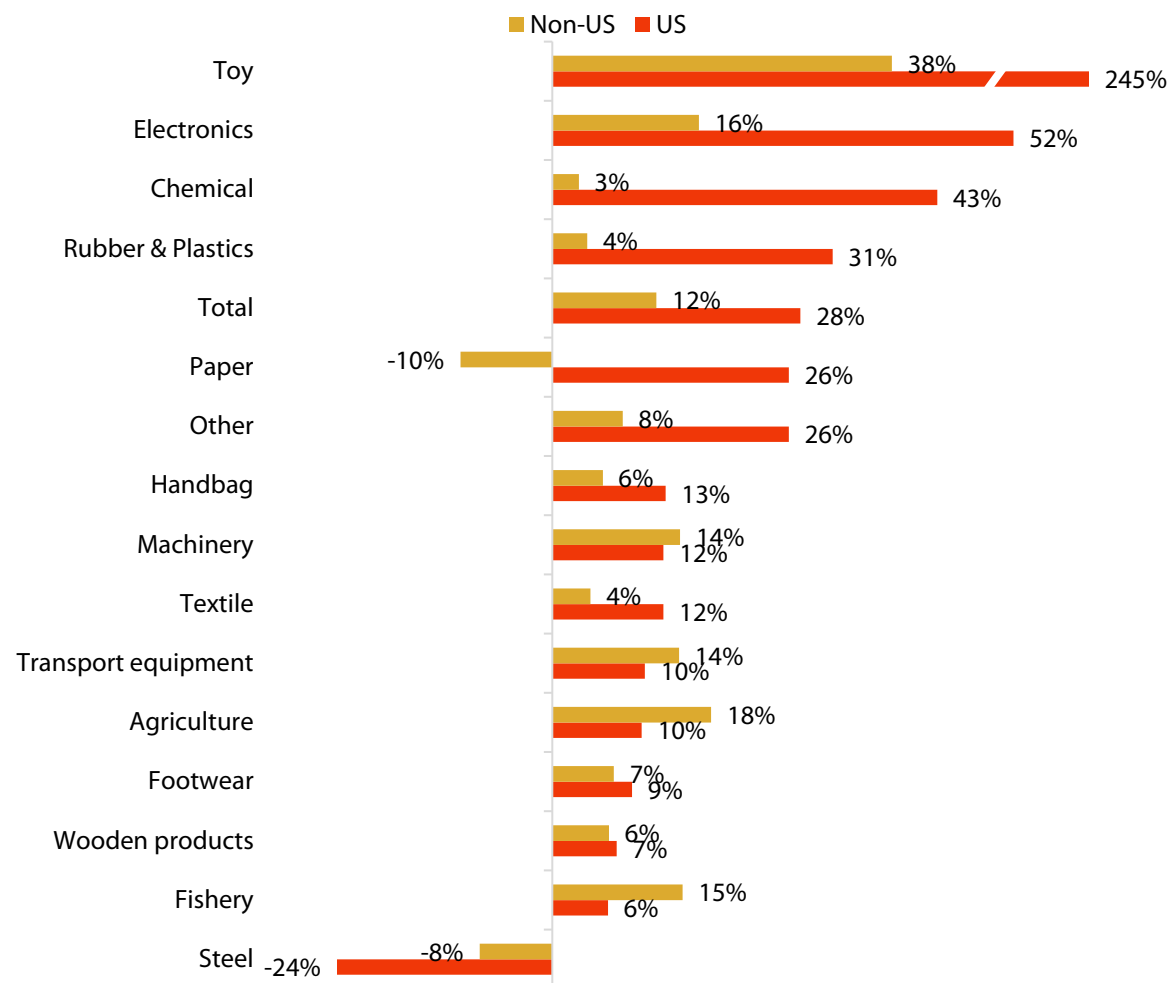
Export growth by market



Source: Customs, RongViet Securities

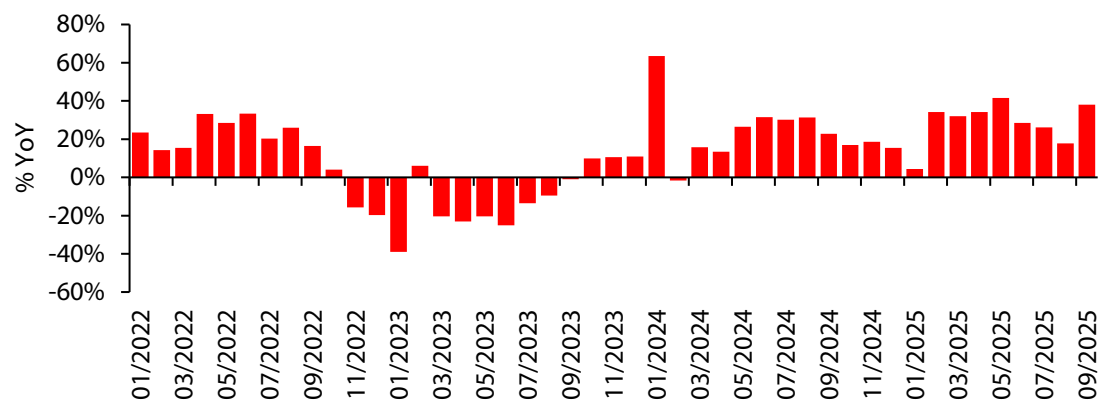
- Vietnam's exports to the United States surged 28% YoY, accounting for half of the country's total export growth in 9M2025.
- Exports to other markets also remained relatively resilient, rising 12% YoY.
- The strongest export growth to the U.S. market during this period was seen in toys, electronics, chemicals, plastics, and rubber products.
- Meanwhile, other major export categories such as textiles and garments, machinery, wood products, and seafood also recorded growth in shipments to the U.S., but the pace was broadly similar to that of non-U.S. markets.

Export growth by item



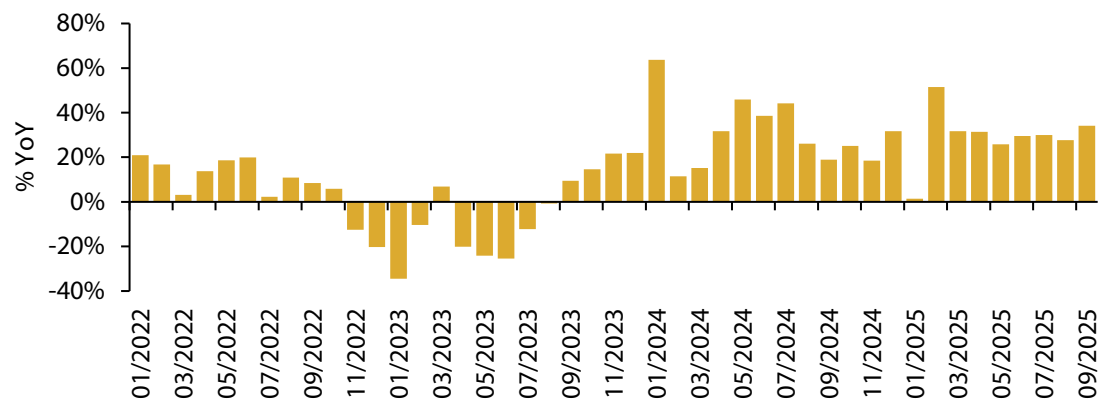
Source: Customs, RongViet Securities

Export to the US grew by 28% in 9M2025



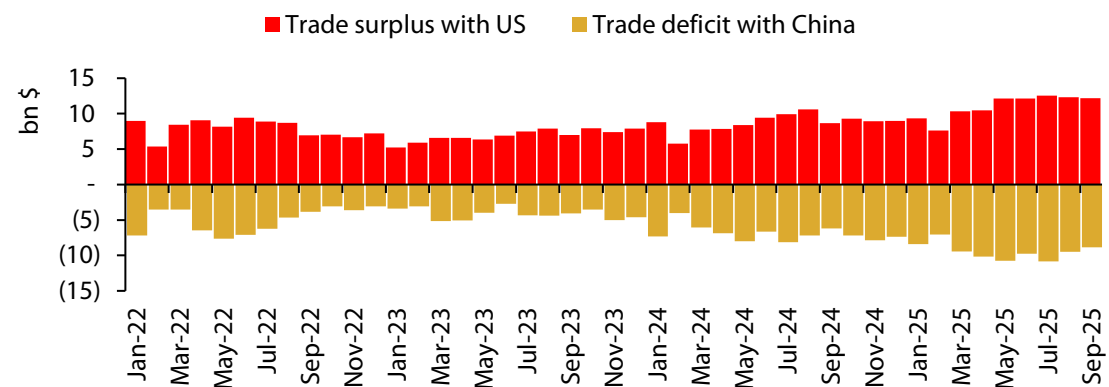
Source: Customs, RongViet Securities

Import from China rose by 29% in 9M2025



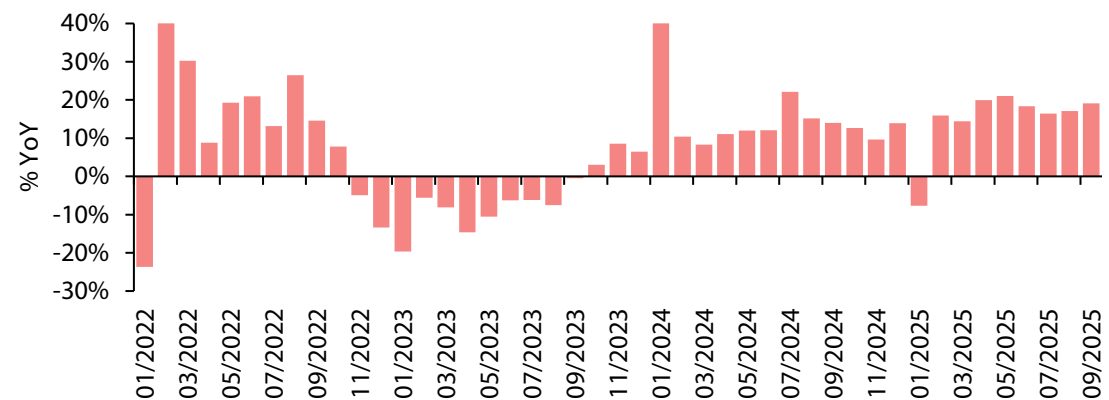
Source: Customs, RongViet Securities

Vietnam – US trade surplus gained 28% while Vietnam – China trade deficit was up 40%



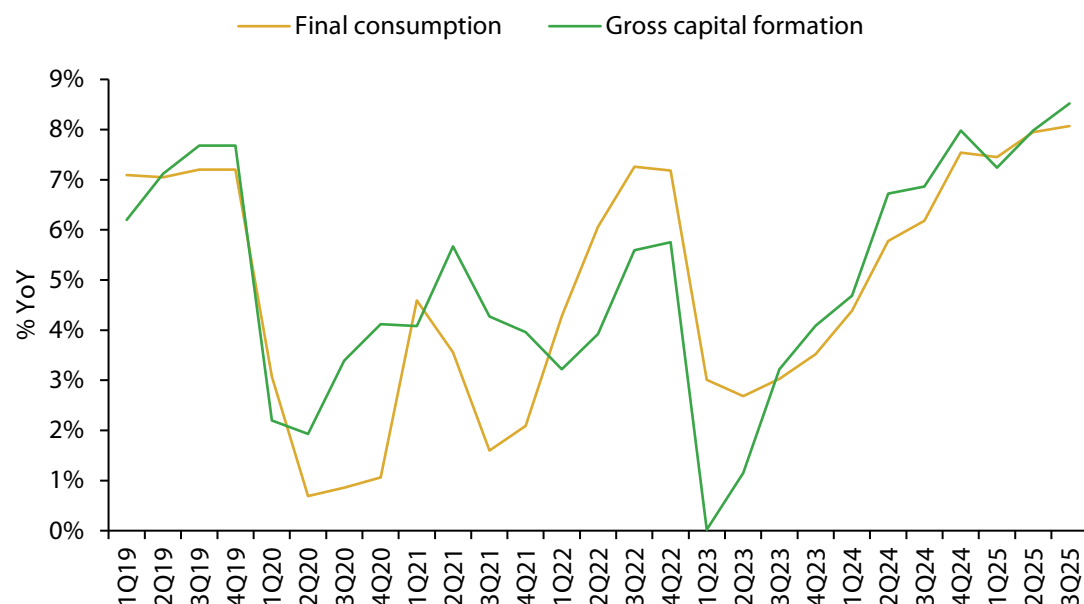
Source: Customs, RongViet Securities

Export to non-US market increased by 12% in 9M2025



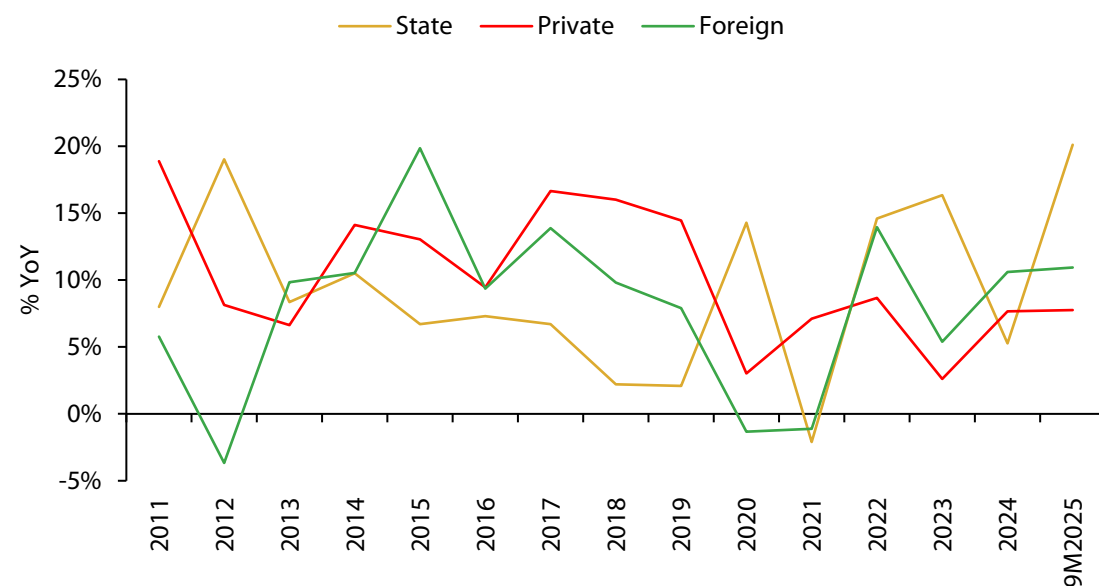
Source: Customs, RongViet Securities

GDP growth by usage



Source: GSO, RongViet Securities

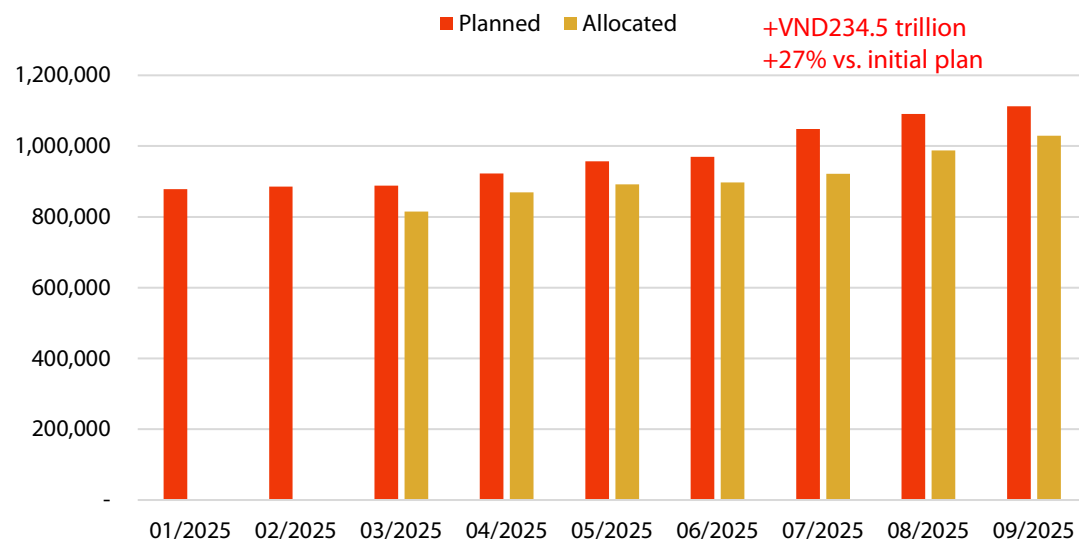
Investment growth by sector



Source: GSO, RongViet Securities

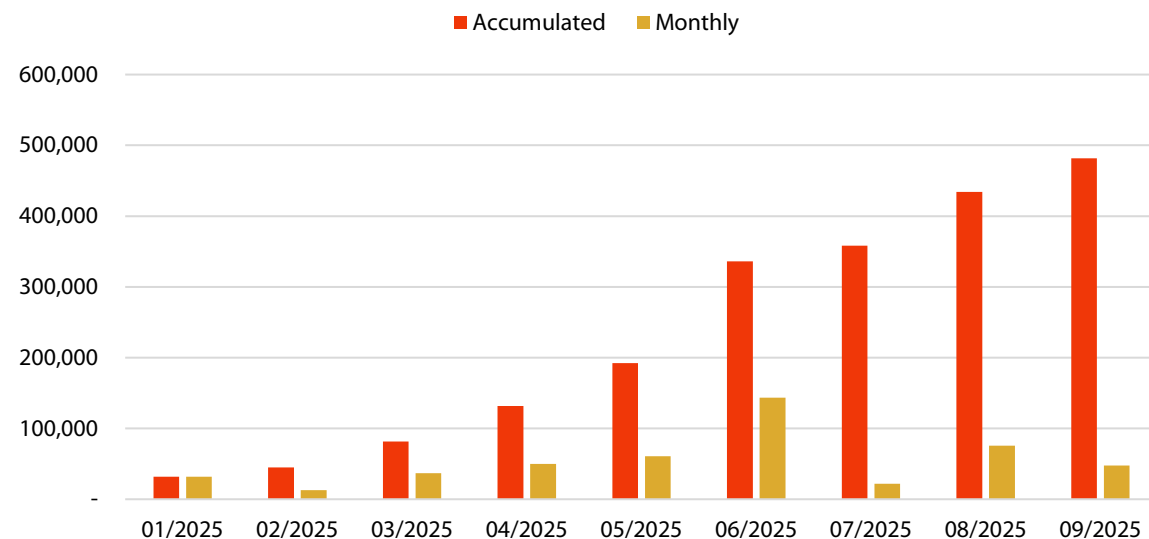
- **Investment led growth.** GDP growth in 9M2025 was primarily driven by capital formation, which rose 8.5% YoY, outpacing both consumption-driven growth and overall GDP growth. Capital accumulation accounted for over 39% of total GDP growth, notably higher than the average contribution of 30% during 2022–2024.
- Total social investment capital reached approximately VND2.7 quadrillion in 9M2025 (equivalent to 29.5% of GDP), slightly below both the 29.8% share recorded in the same period last year and the Government's full-year target of 33.5%. State budget investment amounted to VND550.1 trillion, representing an impressive 27.8% YoY increase. Private sector investment reached VND 1.4 quadrillion and FDI investment totaled VND462.1 trillion, rising 7.8% and 11.2%, respectively.
- **While FDI and public investment growth remained broadly on track with targets, private investment continues to fall short of the Government's expectations.**

2025 Public investment plan (VND trillion)



Source: MoF, RongViet Securities

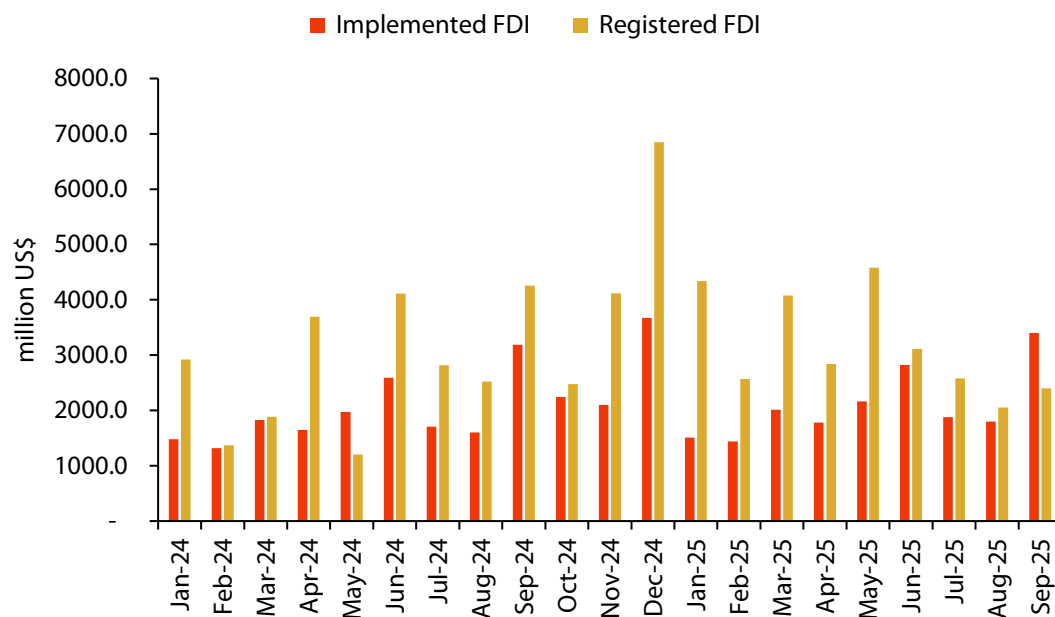
Public investment disbursement (VND trillion)



Source: MoF, RongViet Securities

- Public investment disbursement in September 2025 is estimated at VND47.6 trillion, equivalent to only half of the monthly target assigned by the Prime Minister. In 9M2025, disbursement reached approximately VND481.6 trillion, representing about 43% of the annual plan and marking a 48% YoY increase.
- However, **the disbursement pace in Q3 slowed significantly compared to Q2**. In addition to long-standing institutional and procedural obstacles, such as resettlement support, land compensation valuation, and adjustments to project plans and capital allocations, two new factors have further constrained progress: 1. Inefficiencies following the restructuring of local governments at two administrative levels, and 2. Unfavorable weather conditions are affecting construction schedules.
- For Q4 2025, in order to meet the Government's 100% disbursement target, the required volume of public investment is projected at around VND403 trillion, equivalent to VND134 trillion per month. This level would be about 25% higher than the average monthly disbursement rate recorded in Q4 over the past three years (2022–2024).

Implemented and registered FDI



Source: GSO, RongViet Securities

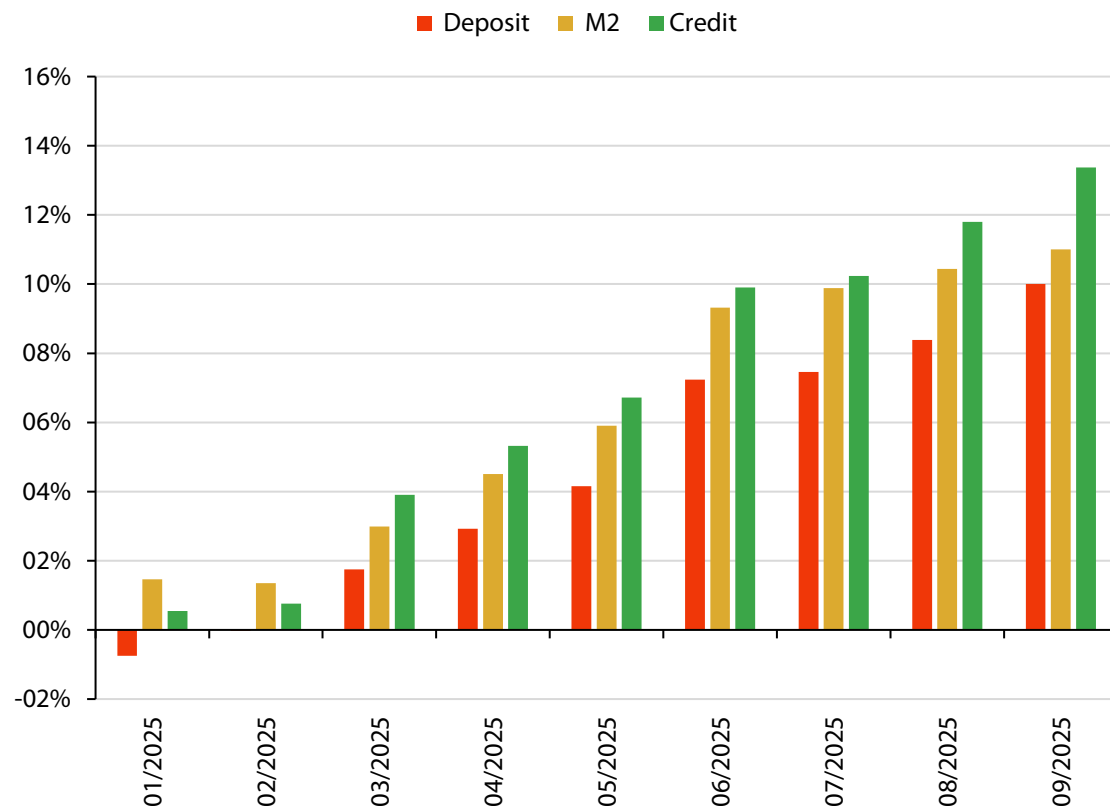
- **FDI disbursement continued to perform well in Q3 2025**, reaching an estimated USD7.1 billion, up 9.0% YoY, roughly in line with the growth rate recorded in Q2. Cumulatively, FDI disbursement in 9M2025 totaled USD18.8 billion, an 8.5% increase Yoy. Of this, USD15.6 billion was disbursed into the manufacturing and processing sector.
- In contrast, **FDI inflows have been losing momentum**. During Q3, total newly registered, adjusted, and contributed FDI capital amounted to USD 7.0 billion, down 26.8% YoY, a sharp reversal from growth rates of +34.7% in Q1 and +16.9% in Q2.
- As a result, cumulative registered FDI in 9M2025 stood at USD28.5 billion, up 15.2% YoY. However, new and additional investment in the manufacturing and processing sector showed no growth, while FDI inflows from China, Hong Kong, and Taiwan were largely unchanged from last year.

FDI by partner and sector

	Before 02/04	9M2025
New and additional capital	29%	12%
By partner		
- China	47%	2%
- Others	24%	16%
By sector		
- Manufacturing	65%	0%
- Real estate	46%	45%
- Others	-52%	34%
Implemented	7%	9%

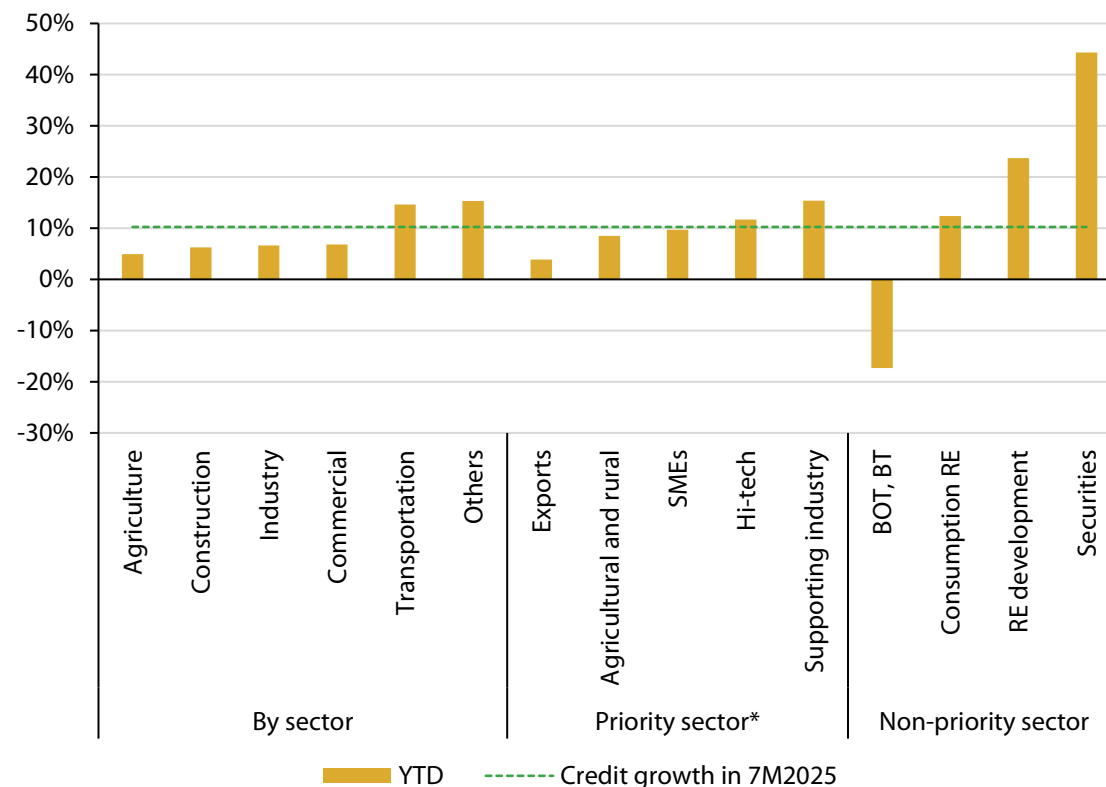
Source: MoF, RongViet Securities

Credit, mobilization and M2 growth (YTD)



Source: SBV, RongViet Securities

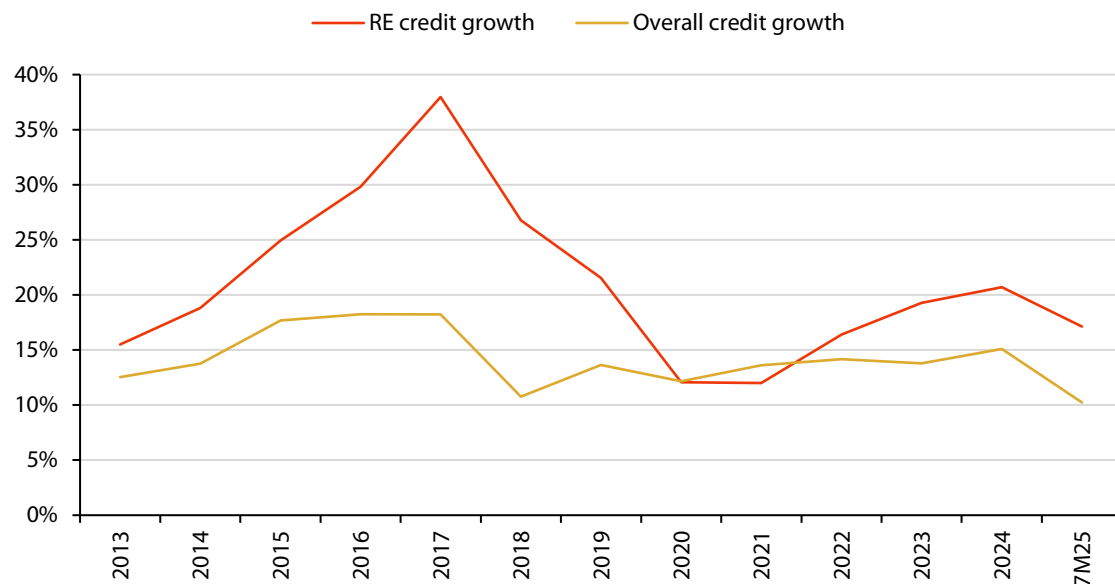
Credit growth by sector



Source: SBV, RongViet Securities, * and BT, BOT: as the end of Jun 2025

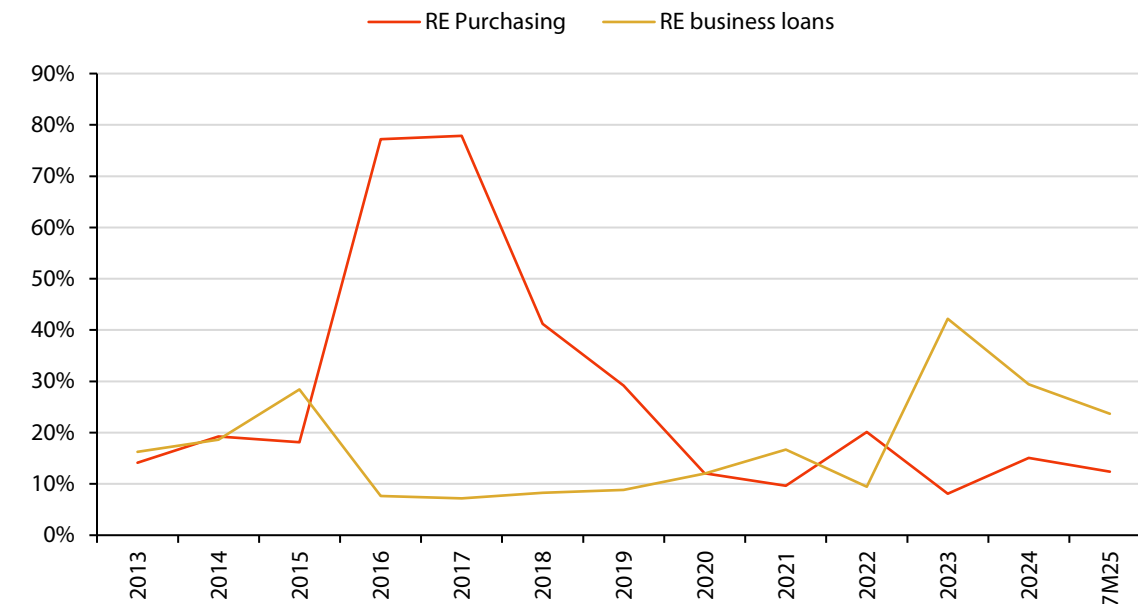
- **Credit growth expanded strongly in 9M2025**, rising 19.6% YoY. Although capital mobilization and M2 grew at a slower pace, they remained relatively high compared with previous years, increasing 15.5% and 17.3% YoY, respectively.
- However, **credit expansion was not evenly distributed across sectors**. The most significant increases were observed in securities and real estate business activities, reflecting a shift of credit flows toward asset-related sectors rather than production or consumption-driven ones.

RE credit growth vs. overall credit growth



Source: SBV, RongViet Securities, 7M2025: compared to the end of 2024

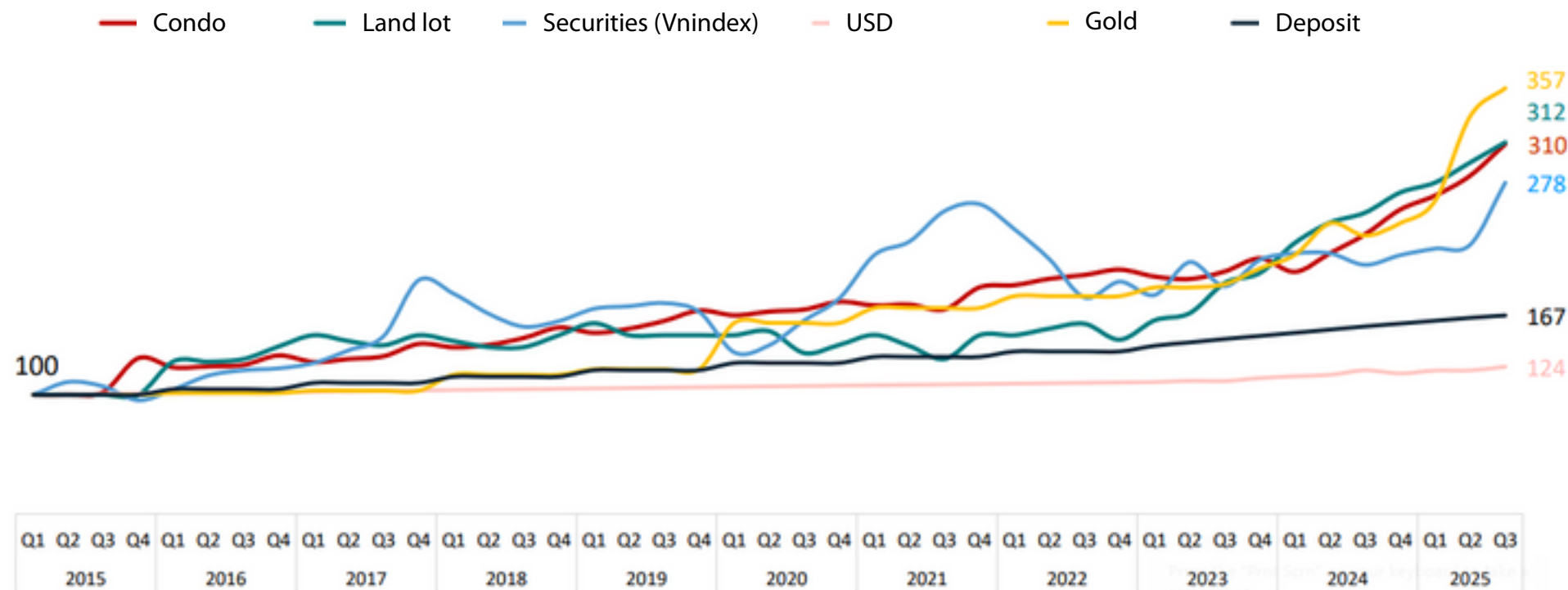
RE credit growth by group



Source: SBV, RongViet Securities, 7M2025: compared to the end of 2024

- **Real estate credit growth outpaced overall credit growth in 7M2025**, although the divergence was not as extreme as during the 2017–2018 period. As of the end of July 2025, total credit had expanded 10.2% from end-2024, while real estate credit rose 17.1%.
- Within the structure of real estate lending, **credit for real estate business activities grew much faster than credit for home purchases**, a pattern that contrasts sharply with the 2017–2018 cycle. Specifically, loans for real estate business increased 23.7%, whereas loans for home purchases rose only 12.4%.
- **Even within real estate business lending, there was significant divergence**: credit to housing development projects recorded particularly strong growth of +29.0% from the beginning of 2024 (as of end-May 2025), far outpacing lending to other real estate activities.

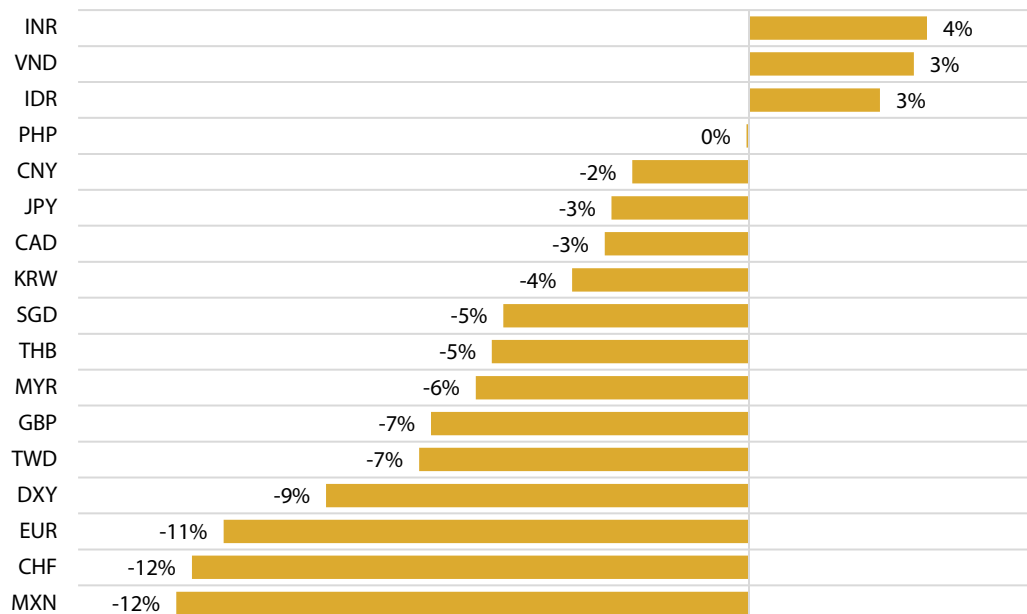
Return on some popular assets (2015-2025, Q12015 = 100)



Source: batdongsan.com.vn, RongViet Securities

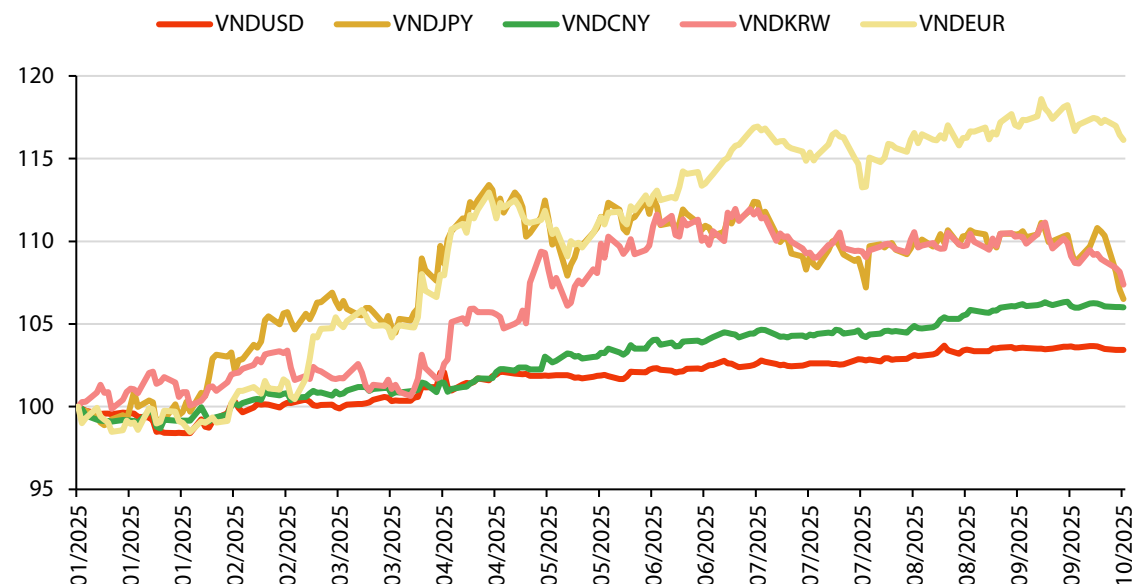
- The gold market has been the strongest-performing asset class in 2025, driven by the global gold frenzy and domestic supply shortages.
- Meanwhile, housing market imbalances, legal bottlenecks affecting many real estate projects, and policy adjustments on land pricing, combined with a loose monetary environment, have contributed to a sharp increase in property prices.
- The stock market, represented by the VN-Index, also rose strongly, reflecting the effects of monetary easing alongside expectations of market upgrade and policies aimed at boosting economic growth.

Currency movement vs. USD (YTD)



Source: Bloomberg, RongViet Securities, as of 10/08/2025

VND compared to other key trading partners' currencies



Source: Bloomberg, RongViet Securities

- **The Vietnamese dong (VND) was among the few currencies to depreciate against the U.S. dollar in 2025**, weakening by around 3% even as the DXY index fell by about 9%. Against major trading partners, the VND depreciated 16.1% versus the EUR, 6.5% versus the JPY, 6.0% versus the CNY, and 7.4% versus the KRW.
- During 1H2025, Vietnam's foreign exchange reserves declined by an estimated USD1.5 billion, amid a modest trade deficit in the domestic sector, while FDI disbursements and remittance inflows remained stable. Recently, the State Bank of Vietnam (SBV) has implemented technical interventions by selling foreign currency forward to commercial banks, with a total value of approximately USD2.8 billion. Given limited FX reserves, this measure has helped defer part of the exchange rate pressure into next year, providing short-term stability.
- In addition, new regulations - Decree No. 232 on the gold market and Resolution No. 05 on digital assets - are expected to ease exchange rate pressures in the remaining months of 2025 by curbing unofficial foreign currency flows into gold and crypto assets.

	2025 Target	2025 Forecast	2026 Target
GDP growth	8.3-8.5%	8.1%	10.0%
- Agriculture	3.9%	4.3%	3.9%
- Industry and Construction	9.8-10.1%	8.8%	11.4%
- Services	8.5-8.6%	8.4%	10.9%
- Taxes and Subsidies	6.4-6.7%	7.8%	7.0%
Inflation	< 4%	3.5%	5.0%

	2021-2025	2026-2030
GDP growth	6.2%	> 10%
% Services	43.7%	> 50%
% Industry and Construction	36.5%	> 40%
% Agriculture	10.7%	< 10%
Productivity growth	4.8% (2021-2024)	8.5%
TFP contribution in GDP growth	40.8% (2021-2024)	> 55%
% digital economy	18.3% (2024)	30%
Total investment/GDP	40.0%	33.5%

Source: MoF, Resolution No. 306/NQ-CP of the Government on the Adjustment of the National Master Plan for the 2021–2030 Period, RongViet Securities

VIET DRAGON SECURITIES CORPORATION



Floor 1 to Floor 8, Viet Dragon Tower, 141 Nguyen Du Street, HCMC, Vietnam



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