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The economic picture in May showed some positive signals as the PMI rebounded to 52.8 points and retail sales increased by 11.2%, reflecting improvements in production and consumption activities. However, growth was primarily driven by inventory stockpiling ahead of Middle East risks and the tourism season effect, while real consumption growth (excluding inflation) is slowing down and the manufacturing sector continues to cut jobs, indicating that the recovery foundation is not yet truly uniform.

Inflationary pressure is the main bottleneck in the macro picture. The CPI in May increased by 5.60% year-on-year, bringing the 5-month average inflation to 4.3%. Inflationary pressure has shifted from gasoline to electricity and water, but the general price level continues to rise, leaving only about 0.2 percentage points of room for the remaining 7 months against the annual target of 4.5%. This necessitates more cautious management in the coming period.

Regarding fiscal policy, the state budget maintained a significant surplus in the first 5 months of 2026. Total revenue is estimated at approximately 1.34 quadrillion VND, equivalent to 53% of the annual estimate and an increase of 15.4% year-on-year, significantly exceeding expenditures (approximately 845 trillion VND). However, domestic revenue remains under pressure in the context of global economic risks, especially as rising inflation may reduce the sustainability of revenue in the near future.

Public investment continues to be expected as a pillar supporting growth in 2026, but the pressure for disbursement is still very high. As of May 31, 2026, disbursement reached 219.359 trillion VND, equal to 21.6% of the plan assigned by the Prime Minister and equivalent to the same period last year. With a very large capital plan scale, the remaining amount to be disbursed is still up to 794.1 trillion VND, corresponding to an average of about 113.4 trillion VND per month from now until the end of the year. Although public investment (or broadly, public spending) remains a key growth driver, a resource for supporting bank liquidity and the government bond market, exchange rate pressure may mean that the spillover effect from public spending needs more time to permeate into the banking system.

Trade activity grew strongly but was accompanied by trade deficit pressure. In the first 5 months of 2026, total import-export turnover reached \$445.12 billion, an increase of 25.0% year-on-year; in which exports increased by 19.5% and imports increased by 30.8%. The trade balance shifted to a deficit of \$13.80 billion, contrary to the surplus of \$5.1 billion in the same period last year. Import pressure mainly reflects the trend of early ordering ahead of supply chain risks from the Middle East and the demand for importing production materials to serve the FDI cycle, which could create pressure on foreign currency supply and demand if it persists into the second half of the year.

FDI is an important bright spot of the economy. As of May 31, 2026, total registered foreign investment reached \$24.81 billion, an increase of 34.9% year-on-year; realized FDI reached \$9.75 billion, an increase of 9.6% and the highest level for the first 5 months in the last 5 years. However, it is necessary to monitor the ability to maintain the nearly 10% growth momentum in the second half of the year, when the comparison base of the second half of 2025 is significantly higher and the geopolitical context remains unstable. Along with public investment, FDI continues to be a pillar for the high growth target in the coming period.

Regarding institutional reform and local management capacity, the 2025 PCI shows that some localities after administrative boundary mergers have improved their competitive position, notably Da Nang, Hai Phong, and Bac Ninh in the top 10 group. Besides, Dong Nai and Hung Yen emerged as localities with notable improvements, especially in terms of a facilitating government and access to resources. This is a positive signal showing that local management quality can become a driver supporting growth in the new phase.

At the policy level, Resolution 09-NQ/TW sets a vision to elevate Ho Chi Minh City to a global city, with a focus on mobilizing, exploiting, and using development resources effectively. Mechanisms such as sandboxes, municipal bonds, and transit-oriented development (TOD) are seen as new pillars to expand growth room. If implemented effectively, these mechanisms can support Ho Chi Minh City in enhancing its capital mobilization capacity and promoting strategic infrastructure projects.

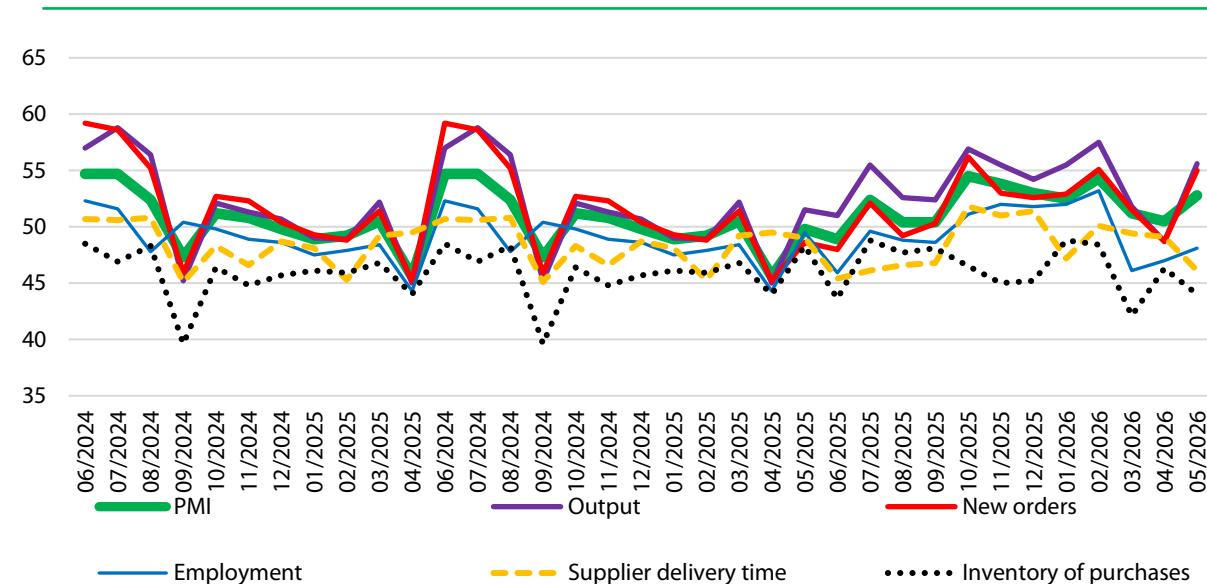
International macro factors continue to create both opportunities and risks for Vietnam. New Fed Chair Kevin Warsh is expected to focus on reducing barriers from Basel standards for the U.S. banking system, supporting the stability of U.S. Treasury yields, and may use new inflation measures such as trimmed mean PCE; accordingly, the possibility of the Fed raising the policy rate this year is not high. At the same time, the U.S.-China trade structure has changed significantly after the reciprocal tax policy on April 2, 2025, causing bilateral trade to decline deeply, while U.S. importers shifted orders to other markets such as Mexico, Vietnam, and Taiwan.

Growth of key industrial production indices

% YoY	12/25	01/26	02/26	03/26	04/26	05/26
Food processing	15.7	19.8	4.6	12.5	10.6	9.8
Beverage	8.1	26.3	8.2	12.6	15.6	12.8
Textile	7.3	17.5	1.9	6.4	12.8	9.5
Leather	9.8	15.4	-4.8	4.0	2.3	3.4
Wood processing	2.2	21.4	1.3	-1.6	7.1	18.8
Chemical	21.7	32.6	3.3	21.8	24.8	8.4
Medicine	31.5	21.8	-18.0	-9.3	7.1	23.2
Rubber, plastic	10.6	21.9	-3.9	5.6	12.1	15.0
Metal production	16.2	24.0	30.3	8.7	14.8	21.3
Electronics	13.6	-0.8	4.3	14.2	11.9	17.8
Motor vehicles	25.5	34.2	-3.8	12.5	23.6	21.9
Other manufacturing sectors	5.8	17.9	4.1	7.3	11.5	12.8
Electricity production and distribution	11.2	16.7	-1.3	4.6	10.9	8.5
IIP	10.1	19.4	0.6	7.2	9.9	8.8

Source: General Statistics Office, RongViet Securities

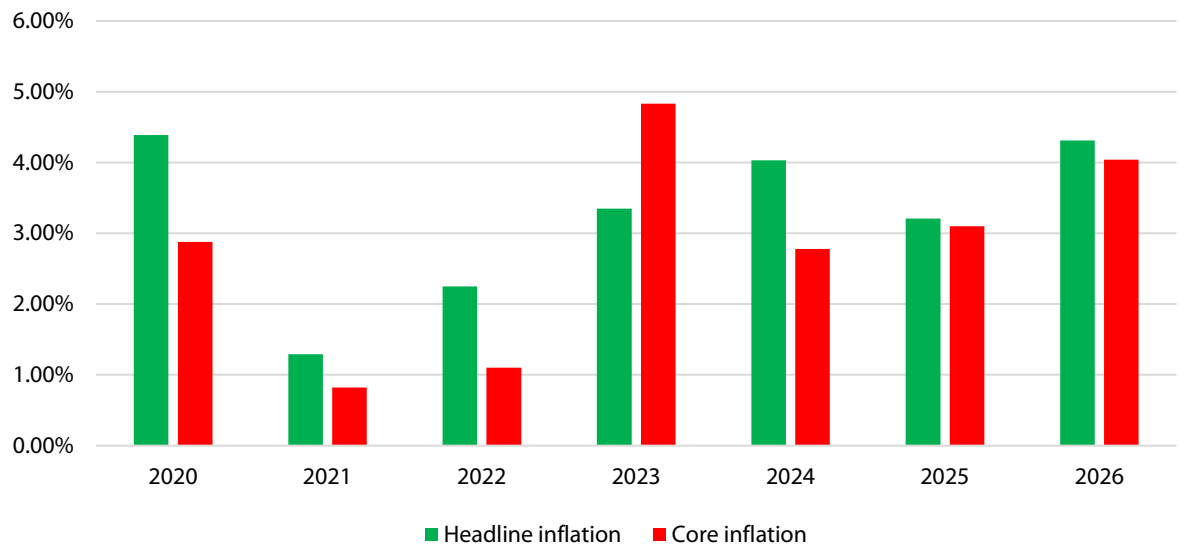
Vietnam's Manufacturing PMI



Source: S&P Global, RongViet Securities

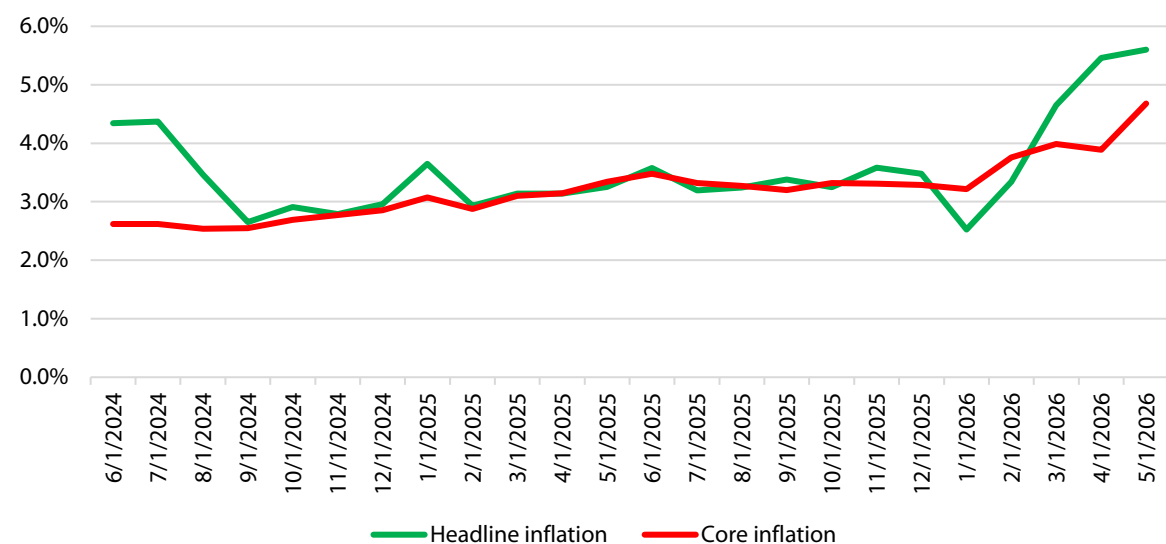
- PMI Index: increased to 52.8 points in May, up from 50.5 points in April and reaching the highest level since February, the month immediately before the Middle East war broke out. After contracting below the 50-point threshold in April, new orders and output rebounded in May, reaching a three-month high. To some extent, the increase in new orders reflects inventory buildup by customers and concerns about the impact of a prolonged conflict in the Middle East. **Backlogs of work decreased for the second consecutive month and employment in the industry continued to contract for the third month, a sign that excess production capacity has not yet to be absorbed.**
- **The growth rate of input costs continued to increase in the middle of Q2/2026, marking the fourth consecutive increase and becoming the fastest rate since April 2011.** Fuel, oil, and transportation are the main factors causing input costs to rise. The growth rate of selling prices continues to increase and is among the strongest growth rates in the last 15 years, although it has slowed slightly compared to April.
- The Index of Industrial Production (IIP) in May is estimated to increase by 3.3% month-on-month and 8.8% year-on-year. In particular, industries with strong growth include: Wood processing (up 18.8% YoY); Electronics (up 17.8% YoY); Metal production (up 21.3% YoY); Motor vehicle production (up 21.9% YoY). The month-on-month growth/decline rate of the IIP index in May for some localities with large industrial scale: Da Nang up 25.3%; Quang Ngai up 10.2%; Vinh Long up 4.4%; Can Tho up 4.2%; Dong Nai up 4.0%; Bac Ninh up 3.7%; Ho Chi Minh City up 1.2%; Quang Ninh down 5.0%; Hai Phong down 2.0%.

Average inflation for the first 5 months of the 2020-2026 period



Source: Ministry of Finance, RongViet Securities

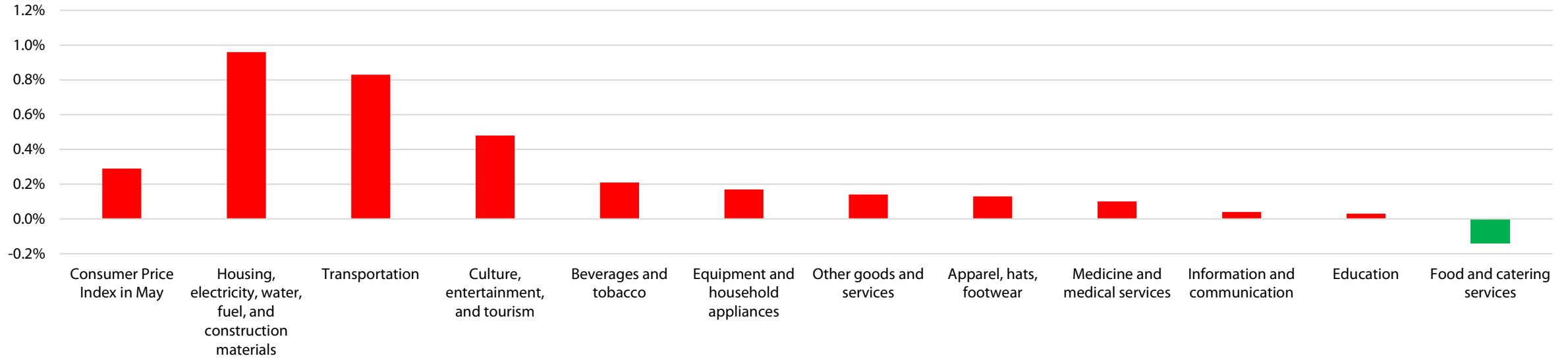
Headline inflation and core inflation in May 2026 compared to the same period



Source: Ministry of Finance, RongViet Securities

- The CPI in May 2026 increased by 5.6% YoY. This is a quite high increase. A point to note is that for the first 5 months, the CPI increased by 4.31% YoY, meaning it has approached the inflation control target range for the year (4.5%). To control inflation at 4.5%, from now until the end of the year, the average monthly CPI only has room to increase by about 0.05% compared to the previous month. This is a challenge, in the context that gasoline prices and input material prices are still in a high upward trend.
- Core inflation in May 2026 increased by 0.34% month-on-month and 4.67% year-on-year. For the first 5 months of 2026, core inflation increased by 4.04% year-on-year, lower than the 4.31% increase in the average headline CPI.
- This shows that inflationary pressure comes more from energy prices and essential services than from monetary factors. Therefore, to control inflation, the management of prices for state-managed goods needs to continue to be closely coordinated in terms of timing and dosage so as not to create resonance that increases inflation expectations.

Overall CPI growth rate in May 2026 and groups of goods compared to the previous month (%)



Source: Ministry of Finance, RongViet Securities

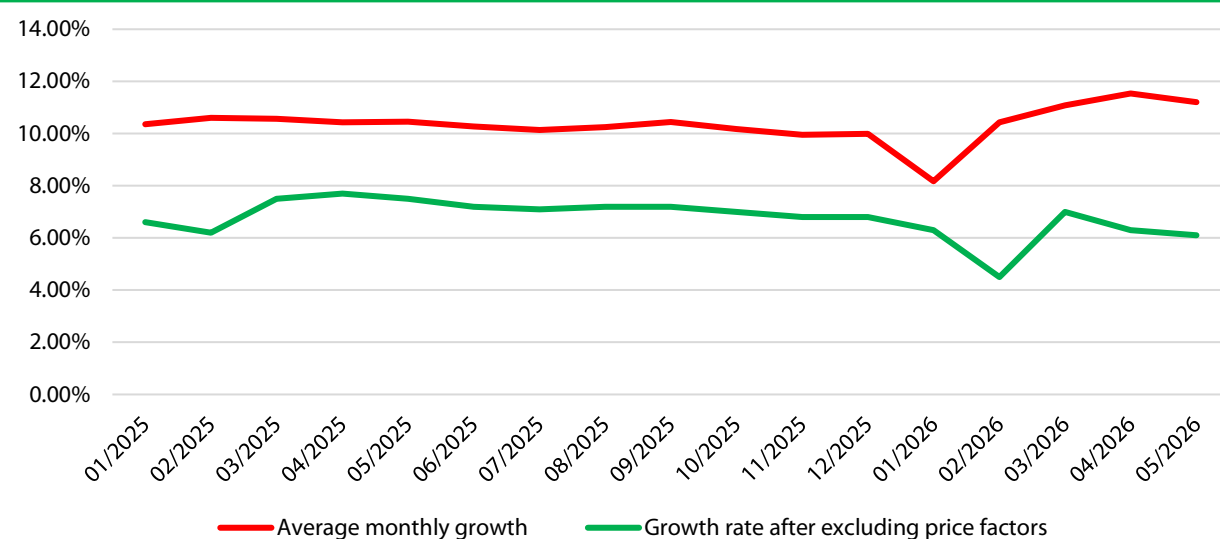
- The Consumer Price Index (CPI) in May 2026 recorded an increase of 0.29% MoM (slightly lower than the increase in April: 0.83% MoM). Notably, out of the 11 main groups of consumer goods and services, 10 groups recorded price index increases compared to the previous month, while the food and catering services group moved in a downward direction.
- **Leading the increase is the housing, electricity, water, fuel, and construction materials group** with an increase of 0.96%. In particular, hot weather caused domestic electricity prices to jump by 2.38% and domestic water by 1.41%. Conversely, gas prices decreased by 1.50% following the global trend, helping to partially curb the general upward momentum. The transportation group increased by 0.83% (impacting the general CPI by 0.08 percentage points), mainly due to the gasoline price index increasing by 2.12%. On the other hand, diesel oil prices decreased by 16.42% and public transport services decreased by 1.47%. Notably, the demand for cooling equipment such as air conditioners increased by 0.50%, and electric fans by 0.35%.
- **The most notable point this month is the structural shift of price pressure:** the transportation group, which amplified the April CPI to 12.48% YoY as gasoline prices climbed following Brent oil, fell to 5.22% in May thanks to Brent falling nearly 20% during the month. But that cooling was not enough to pull the CPI down, only making room for another pressure: the housing, electricity, water, and construction materials group (weight 22.7%) increased by 0.96% month-on-month, in which domestic electricity increased by 2.38% and domestic water by 1.41% because summer heat pushed consumption to a higher price tier in EVN's progressive tariff schedule. In other words, the gasoline pressure in April took a step back, but the electricity and water pressure in May took its place, causing the CPI to still edge up rather than fall.
- An interesting point in the May CPI structure is **the group of food and drink outside the home increased by 0.36% MoM and 8.4% YoY**. This is the highest inflation for food and drink services in the last 12 years. Unlike other types of goods that can adjust prices flexibly according to economic developments, prices for food and drink outside the home (e.g., menu prices) are less adjusted to macroeconomic developments due to Price Stickiness. That is: Prices rise very quickly when costs rise, but fall very slowly or do not fall when costs fall.

Retail sales of goods and services revenue by month



Source: General Statistics Office, RongViet Securities

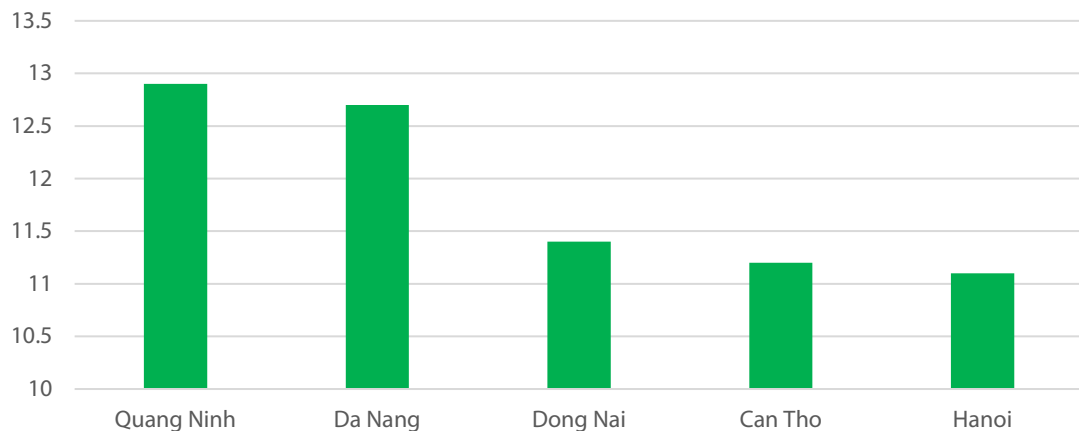
Average monthly revenue growth rate of retail sales of goods and services (%)



Source: General Statistics Office, RongViet Securities

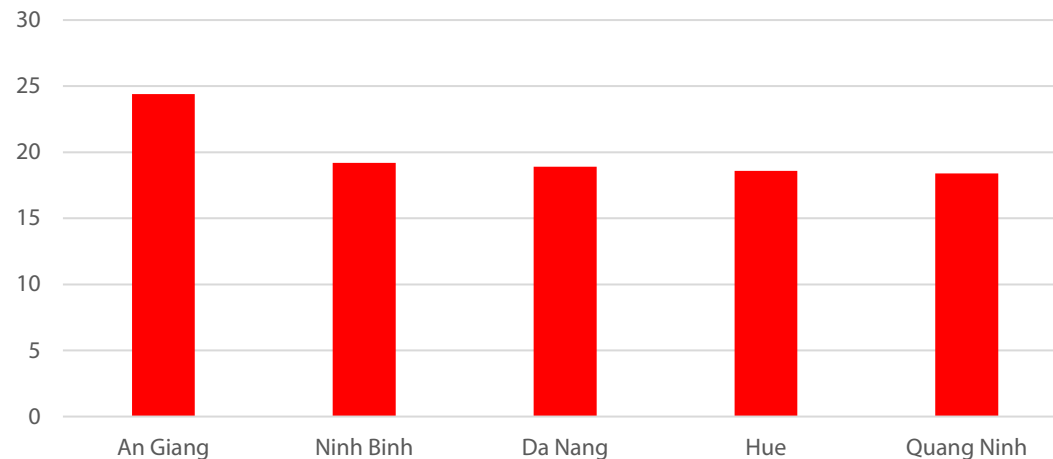
- Total retail sales of goods and consumer service revenue at current prices in May 2026 is estimated at 647.1 trillion VND, an increase of 0.5% compared to the previous month, and an increase of 11.8% compared to the same period last year. Consumption flow during the month recorded different upward and downward trends among industry groups.
- For industry groups maintaining good growth momentum, wood and construction materials led with an increase of 1.1% compared to the previous month and 12.3% compared to the same period last year. This result was achieved thanks to favorable weather conditions, accelerated progress of construction projects, and material prices entering the peak season. Besides, the cultural and educational items group also increased by 0.9% compared to the previous month and 5.9% compared to the same period thanks to increased demand for stationery, reference books for exam season, and gifts for the end of the school year.
- The service sector in May broke through strongly. Specifically, accommodation and catering services increased by 4.2% compared to the previous month and 15.4% compared to the same period. The travel and tourism industry also recorded an impressive increase of 5.4% compared to the previous month and 15.4% compared to the same period last year.
- On the other hand, some essential goods groups slowed down compared to previous months. The gasoline and oil group decreased by 1.4% compared to the previous month, although it still increased by 17.1% compared to the same period last year, as the price level had cooled down. **The divergence between breaking-through service consumption and slowing goods consumption is a trend that needs to be monitored, because it shows that consumers are spending more on experiences, but spending power for durable goods is cooling down.**
- In the first 5 months of 2026, total retail sales of goods and consumer service revenue at current prices is estimated at 3.185 quadrillion VND, an increase of 11.2% compared to the same period last year. **Excluding price factors, total retail sales and service revenue increased by 6.1%, lower than the 7.2% increase in the same period of 2025.**

Top 5 provinces/cities for retail sales of goods revenue growth in the first 5 months (%)



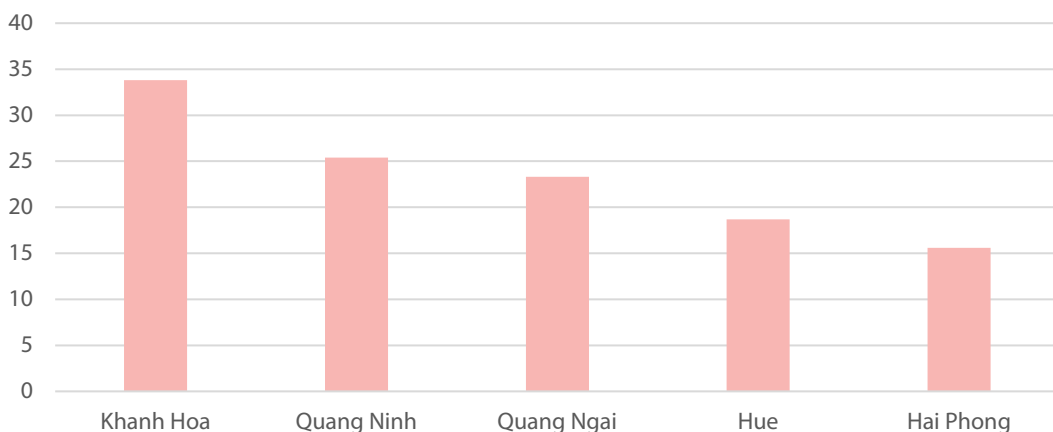
Source: General Statistics Office, RongViet Securities

Top 5 provinces/cities for accommodation & catering services growth in the first 5 months (%)



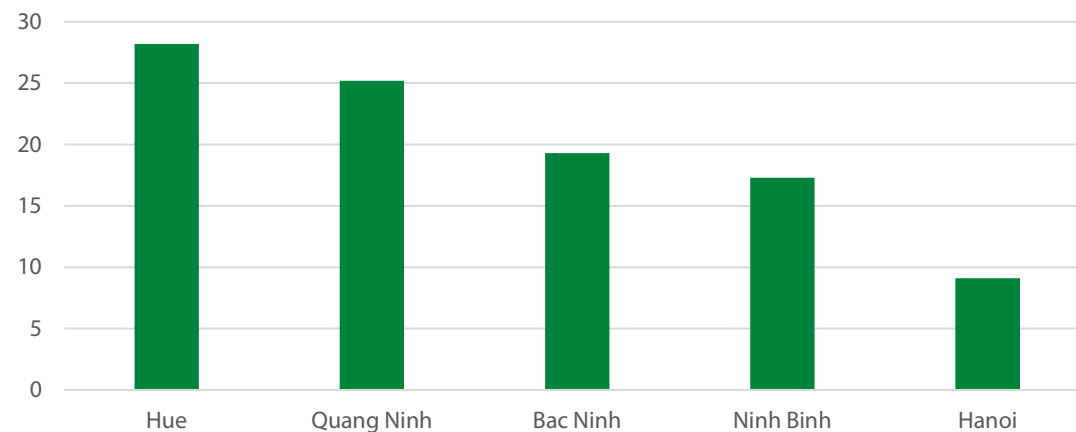
Source: General Statistics Office, RongViet Securities

Top 5 provinces/cities for travel & tourism growth in the first 5M (%)



Source: General Statistics Office, RongViet Securities

Top 5 provinces/cities for other services growth in the first 5 months (%)



Source: General Statistics Office, RongViet Securities

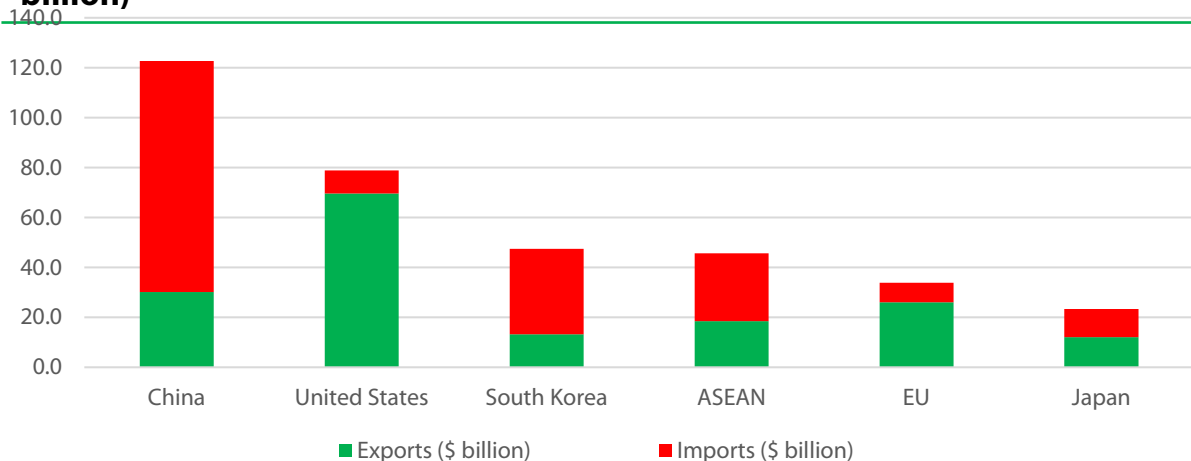
- In the first 5 months of 2026, total import-export turnover of goods reached \$445.12 billion, an increase of 25.0% compared to the same period last year, in which exports increased by 19.5% and imports increased by 30.8%. In particular, import-export turnover of goods in May 2026 reached \$99.07 billion, an increase of 3.2% compared to the previous month and 25.8% compared to the same period last year.
- Export turnover in May 2026 reached \$46.93 billion, an increase of 2.1% compared to the previous month. In which, the domestic economic sector reached \$9.05 billion, a decrease of 4.1%; the foreign-invested sector (including crude oil) reached \$37.88 billion, an increase of 3.6%. Compared to the same period last year, export turnover of goods in May 2026 increased by 18.0%, in which the domestic economic sector increased by 3.5%, and the foreign-invested sector (including crude oil) increased by 22.0%. In the first 5 months of 2026, total export turnover of goods reached \$215.66 billion, an increase of 19.5% compared to the same period last year.
- On the other hand, import of goods in May 2026 reached \$52.14 billion, an increase of 4.3% compared to the previous month. In which, the domestic economic sector reached \$13.17 billion, a decrease of 10.8%; the foreign-invested sector reached \$38.97 billion, an increase of 10.7%. Compared to the same period last year, import turnover of goods in May 2026 increased by 33.8%, in which the domestic economic sector increased by 22.2%; the foreign-invested sector increased by 38.2%. In the first 5 months of 2026, import turnover of goods reached \$229.46 billion, an increase of 30.8% compared to the same period last year.
- Regarding the import-export market of goods in the first 5 months of 2026, the United States is Vietnam's largest export market with a turnover of \$69.6 billion. China is Vietnam's largest import market with a turnover of \$92.6 billion. In the first 5 months of 2026, **trade surplus to the United States reached \$60.4 billion, an increase of 21.1% compared to the same period last year**; trade surplus to the EU was \$18.1 billion, an increase of 11.3%; trade surplus to Japan was \$0.8 billion, a decrease of 13.2%; **trade deficit from China was \$62.5 billion, an increase of 36.4%**; **trade deficit from South Korea was \$21.1 billion, an increase of 72.5%**; trade deficit from ASEAN was \$8.6 billion, an increase of 33.1%.
- With the above results, the trade balance of goods in May 2026 had a deficit of \$5.21 billion. In the first 5 months of 2026, the trade balance of goods had a deficit of \$13.80 billion (the same period last year had a surplus of \$5.1 billion). In which, the domestic economic sector had a deficit of \$20.76 billion; the foreign-invested sector (including crude oil) had a surplus of \$6.96 billion.
- **Most of the import pressure reflects two forces simultaneously: the trend of early ordering (frontloading) ahead of supply chain risks from the Middle East, and the demand for importing production materials to serve the accelerating FDI investment cycle. This is not a bad signal for domestic demand, but it creates pressure on foreign currency supply and demand if it persists into the second half of the year.**

Overview of Vietnam's import-export situation in May 2026

	This month (USD billion)	% vs previous month	% vs same period beginning of year (USD billion)	Cumulative from beginning of year (USD billion)	% YoY
Total Import-Export	99.07	3.2%	25.8%	445.12	25.0%
Exports	46.93	2.1%	18.0%	215.66	19.5%
Domestic	9.05	-4.1%	3.5%	43.5	2.5%
FDI	37.88	3.6%	22.0%	172.16	24.7%
Imports	52.14	4.3%	33.8%	229.46	30.8%
Domestic	13.17	-10.8%	22.2%	64.26	22.7%
FDI	38.97	10.7%	38.2%	165.20	34.3%
Trade Balance	-5.21			-13.80	

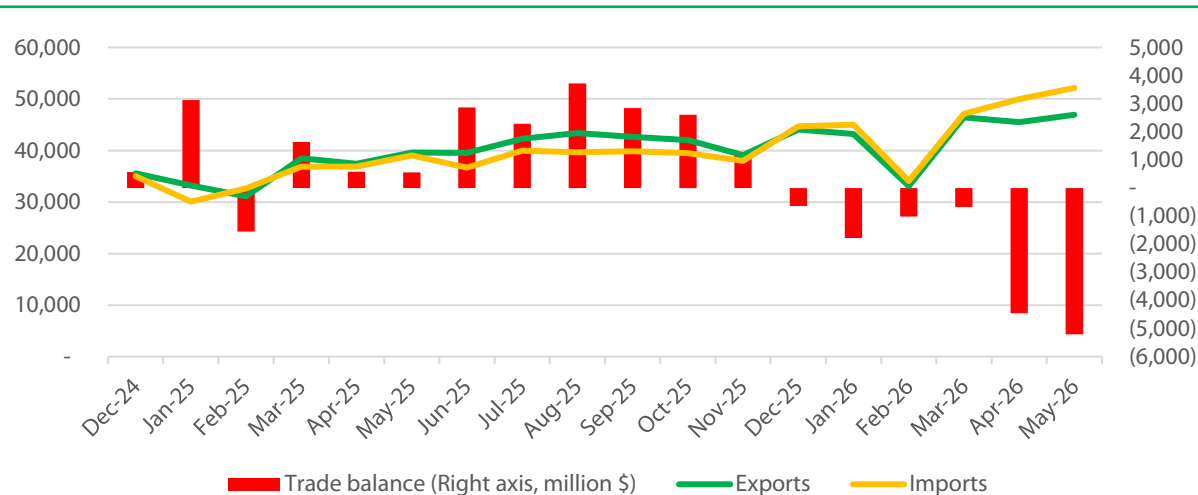
Source: Ministry of Finance, RongViet Securities

Main import-export markets for goods in the first 5 months of 2026 (USD billion)



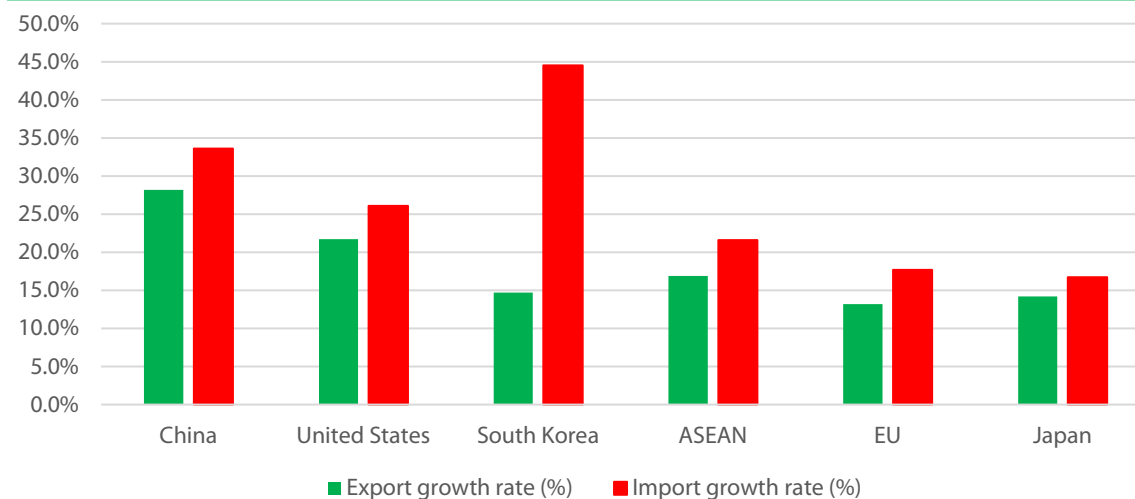
Source: Ministry of Finance, RongViet Securities

Monthly import-export and trade balance trends (24-26) (million USD)



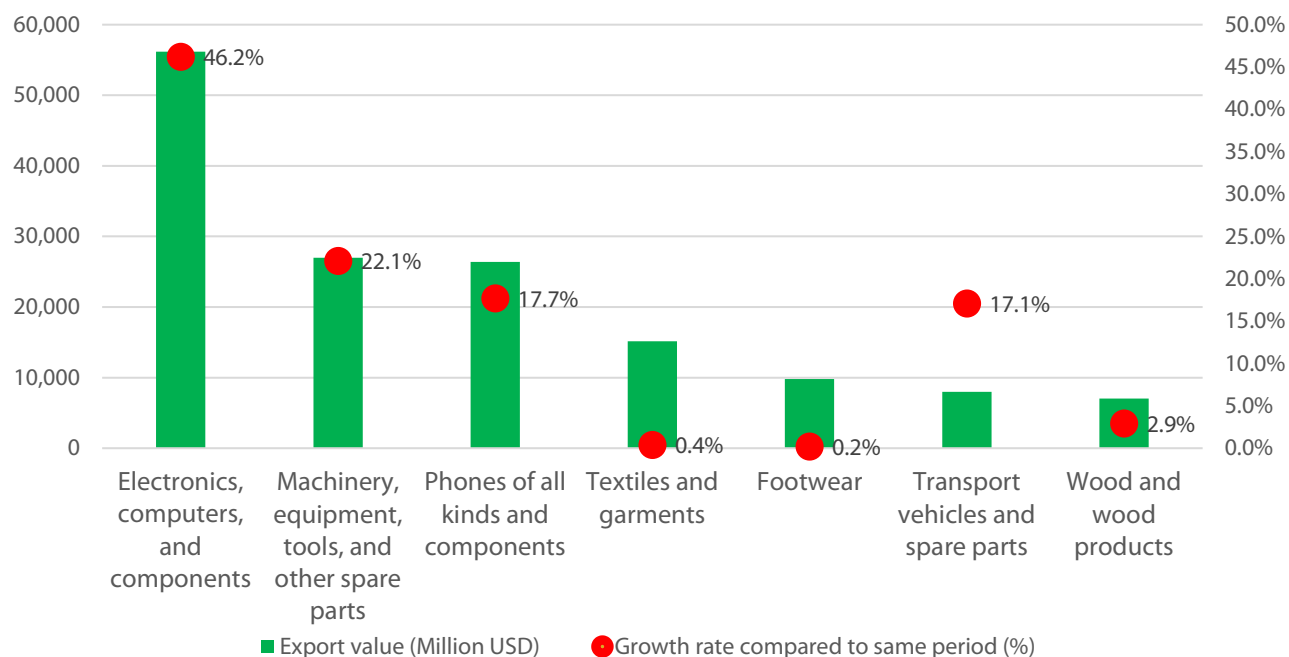
Source: Ministry of Finance, RongViet Securities

Vietnam's import-export growth rate with trading partners compared to the same period last year (%)



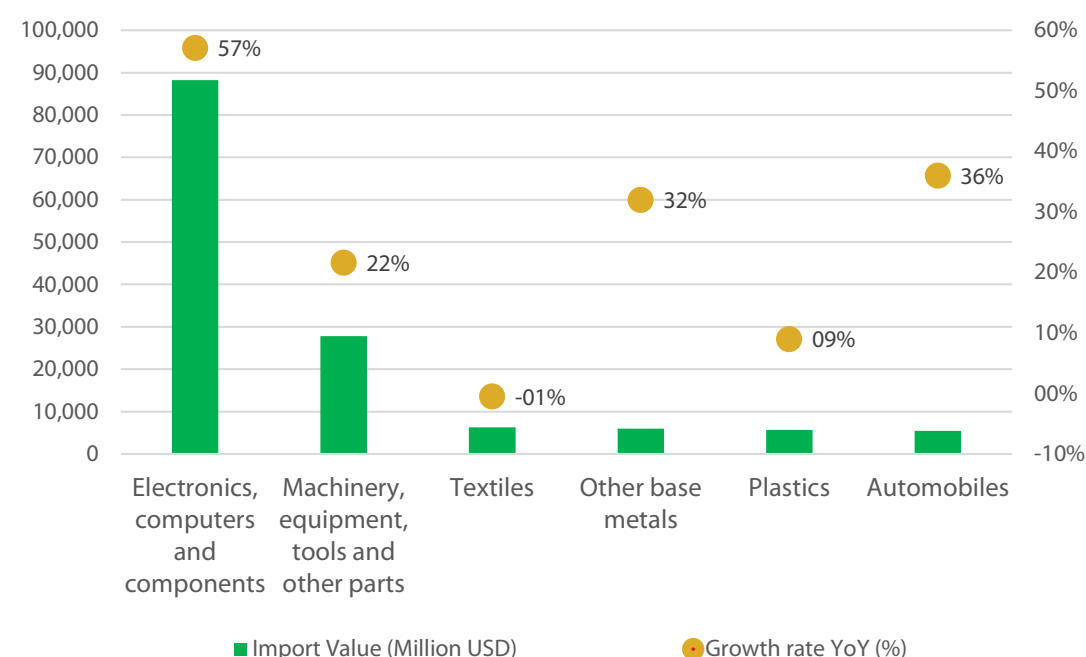
Source: Ministry of Finance, RongViet Securities

Export turnover of major commodity groups in the first 5 months of 2026



Source: Ministry of Finance, RongViet Securities

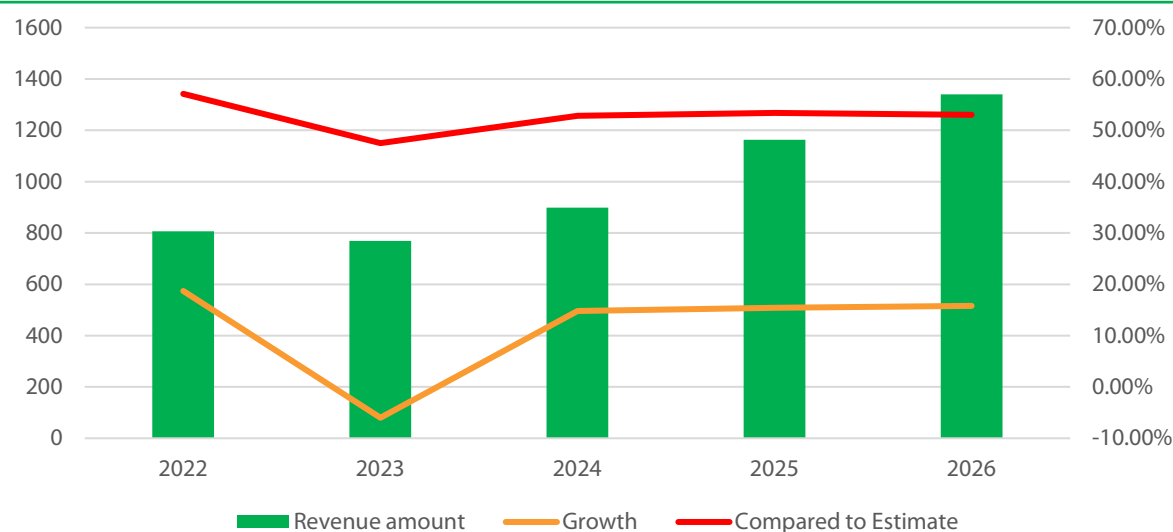
Import turnover of major commodity groups in the first 5 months of 2026



Source: Ministry of Finance, RongViet Securities

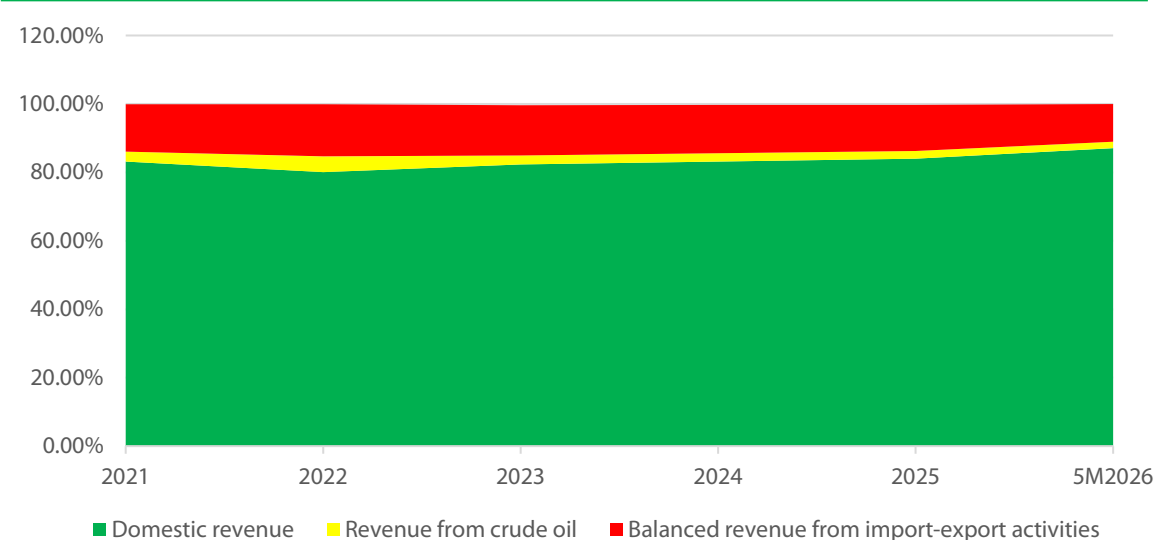
- Regarding the structure of export commodity groups in the first 5 months of 2026, the processed industrial goods group reached \$193.71 billion, accounting for 89.8%; agricultural and forestry products reached \$15.79 billion, accounting for 7.3%; aquatic products reached \$4.67 billion, accounting for 2.2%; fuel & mineral products reached \$1.49 billion, accounting for 0.7%.
- Regarding the structure of import commodity groups in the first 5 months of 2026, the production materials group reached \$215.99 billion, accounting for 94.1% (in which machinery, equipment, tools, and spare parts accounted for 55.7%; raw materials, fuels, and materials accounted for 38.4%).

Total state budget revenue in the first 5 months of the 2022-2026 period



Source: Ministry of Finance, RongViet Securities

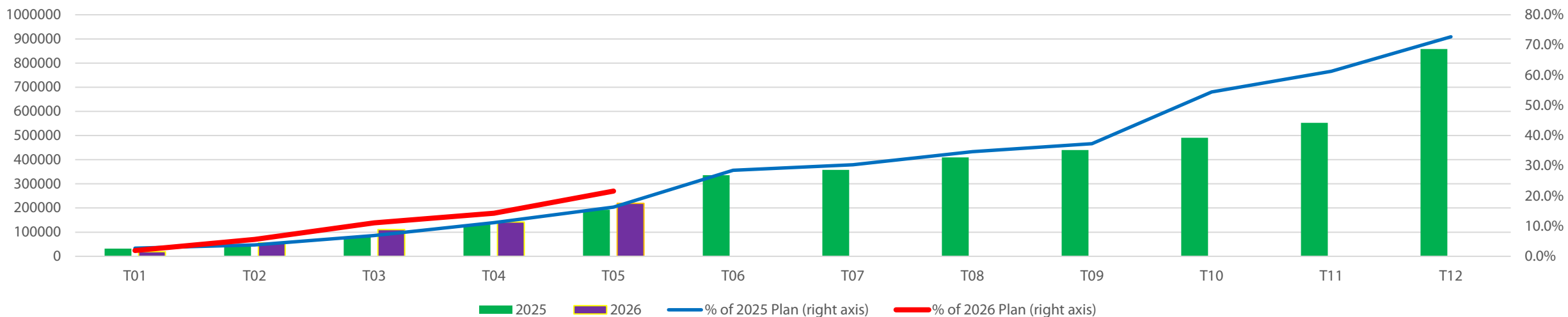
Proportion of revenue sources in total state budget revenue (%)



Source: Ministry of Finance, RongViet Securities

- Total state budget revenue in May is estimated at approximately 216.3 trillion VND, equivalent to 8.6% of the annual estimate, lower than the performance in the same period last year. Accumulated for the first 5 months of 2026, the state budget had a surplus of over 495 trillion VND as total revenue is estimated at approximately 1.34 quadrillion VND (reaching 53% of the annual estimate, an increase of 15.4% compared to the same period), exceeding expenditures by approximately \$845 trillion VND.
- Considering each revenue source, **domestic revenue continues to play a key role with a scale estimated at 1.1682 quadrillion VND**, equivalent to 53.1% of the estimate and an increase of 15.8% compared to the same period. For revenue from crude oil, the scale is estimated at 24.8 trillion VND, equal to 57.7% of the estimate, an increase of 15.4% compared to the same period in 2025. Although exploitation output only reached about 3.5 million tons, corresponding to 43.9% of the estimate, thanks to the average oil price reaching about \$91.4/barrel, an increase of \$21.4/barrel compared to the estimated price, revenue from this sector still maintained its growth momentum. Balanced revenue from import-export activities is estimated at 147.2 trillion VND, equal to 52.9% of the estimate.
- Although playing a foundational role, **domestic revenue is under much pressure in the context of global economic risks (especially rising inflation creating risks of unsustainable budget revenue in the future)**. The implementation of a series of fiscal support policies to remove difficulties for businesses and people, such as reducing taxes related to fuel, also contributes to reducing budget revenue in the short term. The total amount of exemptions and reductions in the first 5 months is estimated at approximately 72.8 trillion VND, reflecting the management orientation of prioritizing macroeconomic stability but at the same time creating certain pressure on budget balance.
- On the expenditure side, total state budget expenditure in May is estimated at 186.6 trillion VND. Accumulated for 5 months, budget expenditure reached approximately 845.4 trillion VND, corresponding to 26.8% of the estimate but only an increase of 3.3% compared to the same period in 2025.

Scale of 2026 public investment capital disbursement by month (billion VND)



Source: Ministry of Finance, RongViet Securities

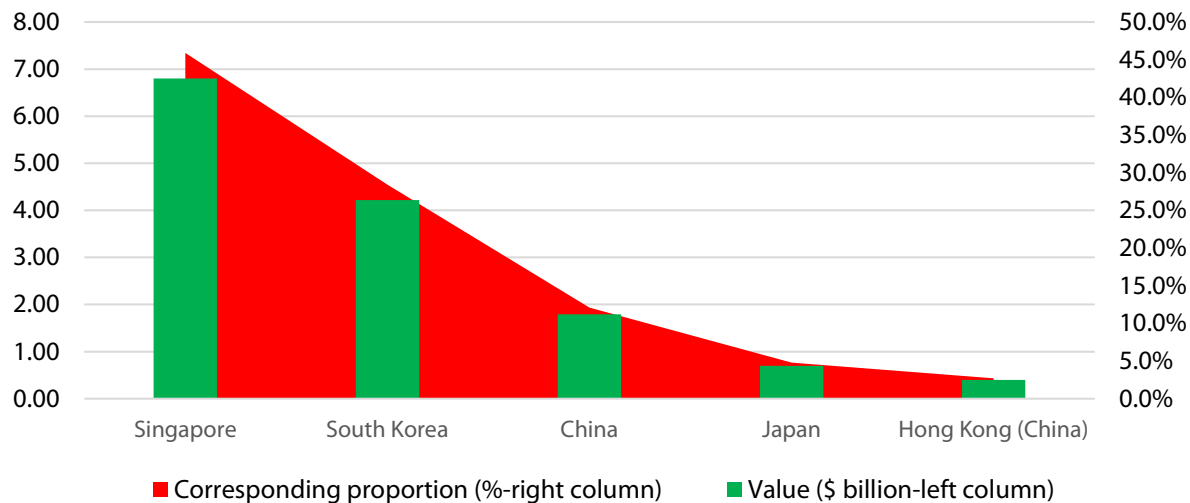
As of May 31, 2026, disbursement of the 2026 public investment capital plan reached 219.359 trillion VND, equal to 21.6% of the plan assigned by the Prime Minister (disbursing more than 5% more compared to the 16.4% level on May 15, 2026). Compared to the same period last year, the disbursement rate is equivalent, but the absolute value increased by more than 34.8 trillion VND. However, with a very large capital plan scale, this result means that there is still 794.1 trillion VND that needs to be disbursed. Thus, from now until the end of the year, an average of about 113.4 trillion VND must be disbursed each month, while the disbursement result in May only maintained a stable speed and did not show a clear acceleration at many ministries, sectors, and localities. This is a great pressure on project owners, project management boards, and local authorities. In general, public investment (or broadly, public spending) is still expected to be a pillar driving growth in 2026, and at the same time a resource supporting liquidity for the banking system and a push for the government bond market. **However, exchange rate pressure may continue to limit the room for liquidity easing, meaning the support effect from public investment disbursement needs more time to permeate into the banking system.**

The difficulties affecting the disbursement of public investment capital in 2026 are mostly problems that have existed for many years such as:

- Local shortages of common construction materials such as sand for foundation filling, soil for filling, and construction stone in many localities.
- Gasoline prices and transportation costs fluctuate strongly. The impact of the prolonged conflict in the Middle East is increasing risks to the price level of construction materials. Many contractors are under great cost pressure while contract values have not been adjusted in time, leading to sluggish construction, or even requests to return projects.
- Site clearance work: many projects still face obstacles in determining land origin, building compensation plans, and supporting resettlement.
- Notably, besides familiar difficulties, 2026 also saw some new challenges arising during the implementation of the 2-level local government model. Specifically, in some communes and wards newly formed after administrative unit rearrangement, the force of officials in charge of public investment is still lacking. Many officials have to hold multiple positions at the same time, affecting the management and implementation of projects to a certain extent.

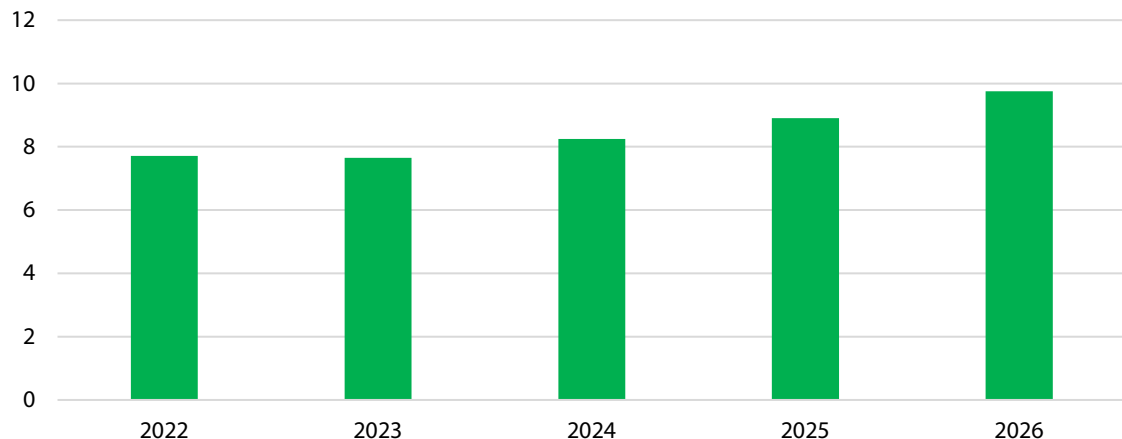
- As of May 31, 2026, total registered foreign investment into Vietnam reached \$24.81 billion, an increase of 34.9% compared to the same period last year.
- Notably, newly registered capital had 1,576 projects licensed with registered capital reaching \$14.84 billion, an increase of 1.7% compared to the same period last year in terms of the number of projects and 2.1 times in terms of registered capital. Adjusted registered capital had 415 projects licensed from previous years registering to adjust investment capital by an additional \$5.78 billion, a decrease of 32.1% compared to the same period last year. Registered capital for capital contribution and share purchase by foreign investors had 1,164 turns with a total contribution value of \$4.19 billion (an increase of 46.7% compared to the same period last year). In which, there were 336 turns of capital contribution and share purchase increasing the charter capital of enterprises with a contribution value of \$565.3 million and 828 turns of foreign investors buying domestic shares without increasing charter capital with a value of \$3.62 billion.
- Among 58 countries and territories with newly licensed investment projects in Vietnam in the first 5 months of 2026, Singapore is the largest investor with \$6.8 billion (accounting for 45.9% of total newly registered capital); second is South Korea with \$4.22 billion (accounting for 28.4%); followed by China with \$1.79 billion (accounting for 12.1%), reflecting the trend of China continuing to shift labor-intensive production facilities to Vietnam to take advantage of trade incentives, instead of investing in technology.
- Especially, realized FDI in Vietnam in the first 5 months of 2026 is estimated at \$9.75 billion, an increase of 9.6% compared to the same period last year. This continues to be the highest realized foreign direct investment for the first 5 months in the last 5 years. In which, the processing and manufacturing industry reached \$8.06 billion (accounting for 82.7% of total realized foreign direct investment); real estate business activities reached \$716.5 million (accounting for 7.3%); production and distribution of electricity, gas, hot water, steam, and air conditioning reached \$356.6 million (accounting for 3.7%). **This figure has more value than the \$24.81 billion registered capital because it reflects the cash flow actually entering the economy. The point to monitor is whether the ~10% growth momentum can be maintained through the second half of 2026 when the comparison base of the second half of 2025 is significantly higher than the first half and the geopolitical picture is not yet settled. In the context of complex macro factors, FDI remains a pillar for growth in the coming period.**
- The new wave of investment is focusing strongly on the fields of data centers, artificial intelligence (AI), semiconductors, and research and development (R&D) – the core foundations of the digital economy. A series of large-scale projects are being implemented or expanded in key localities such as Ho Chi Minh City, Thai Nguyen, Phu Tho..., showing that Vietnam is increasingly affirming its position as an attractive destination for high-tech capital flows in the region.
- Notably, Ho Chi Minh City has recently been one of the localities leading this trend. Just at the end of April 2026, the Ho Chi Minh City People's Committee awarded investment registration certificates for 4 high-tech projects at the Ho Chi Minh City Hi-Tech Park with a total capital of over \$1.23 billion. Notable among them are two hyperscale data center projects with a total capital of nearly \$1 billion, including the Evolution DC VN HCMC Data Center (with an investment capital of over \$508 million), invested by a consortium of Singaporean investors Hathor, Frontier, and Evolution Data Centres, and the Starmason Data Center Complex (with a capital of over \$480 million) developed by Starmason Joint Stock Company.

Top 5 countries and territories investing in Vietnam in the first 5 months of 2026



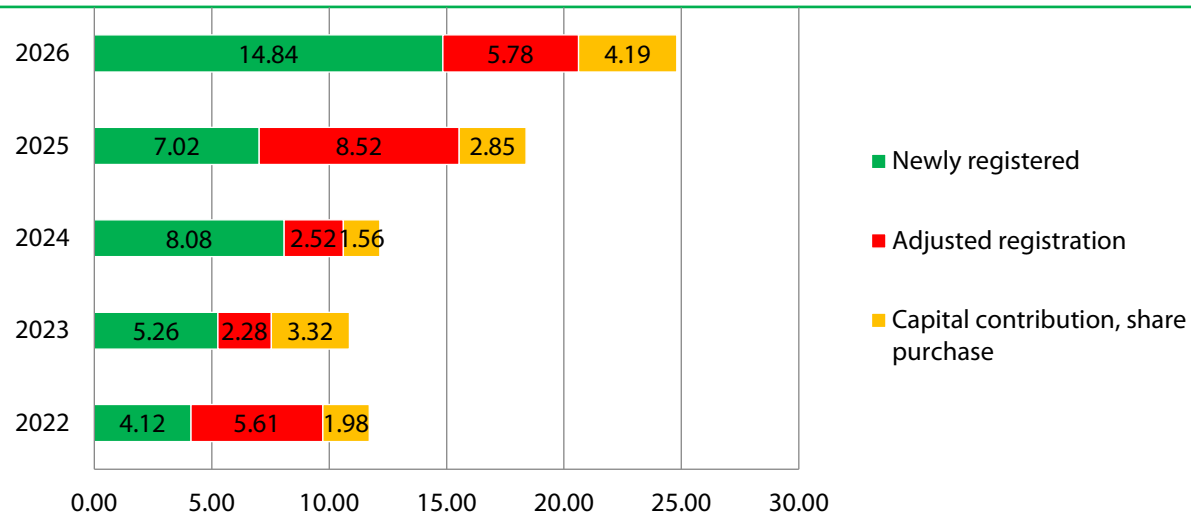
Source: Ministry of Finance, RongViet Securities

Realized FDI growth rate in the 2022-2026 period (%)



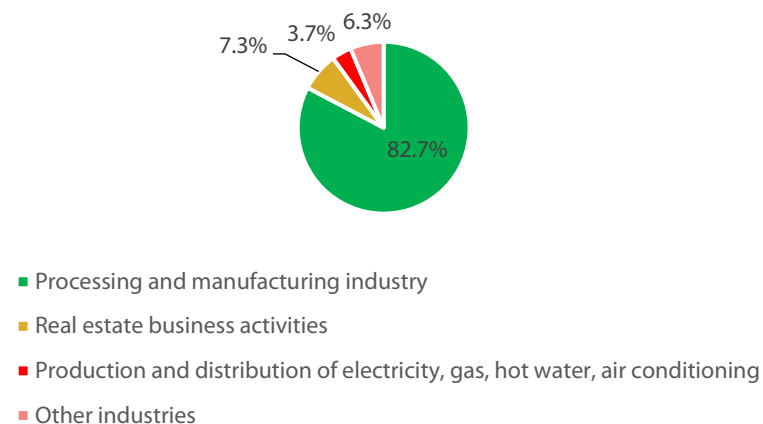
Source: Ministry of Finance, RongViet Securities

FDI capital structure in the first 5 months of the 2022-2026 period (\$ billion)



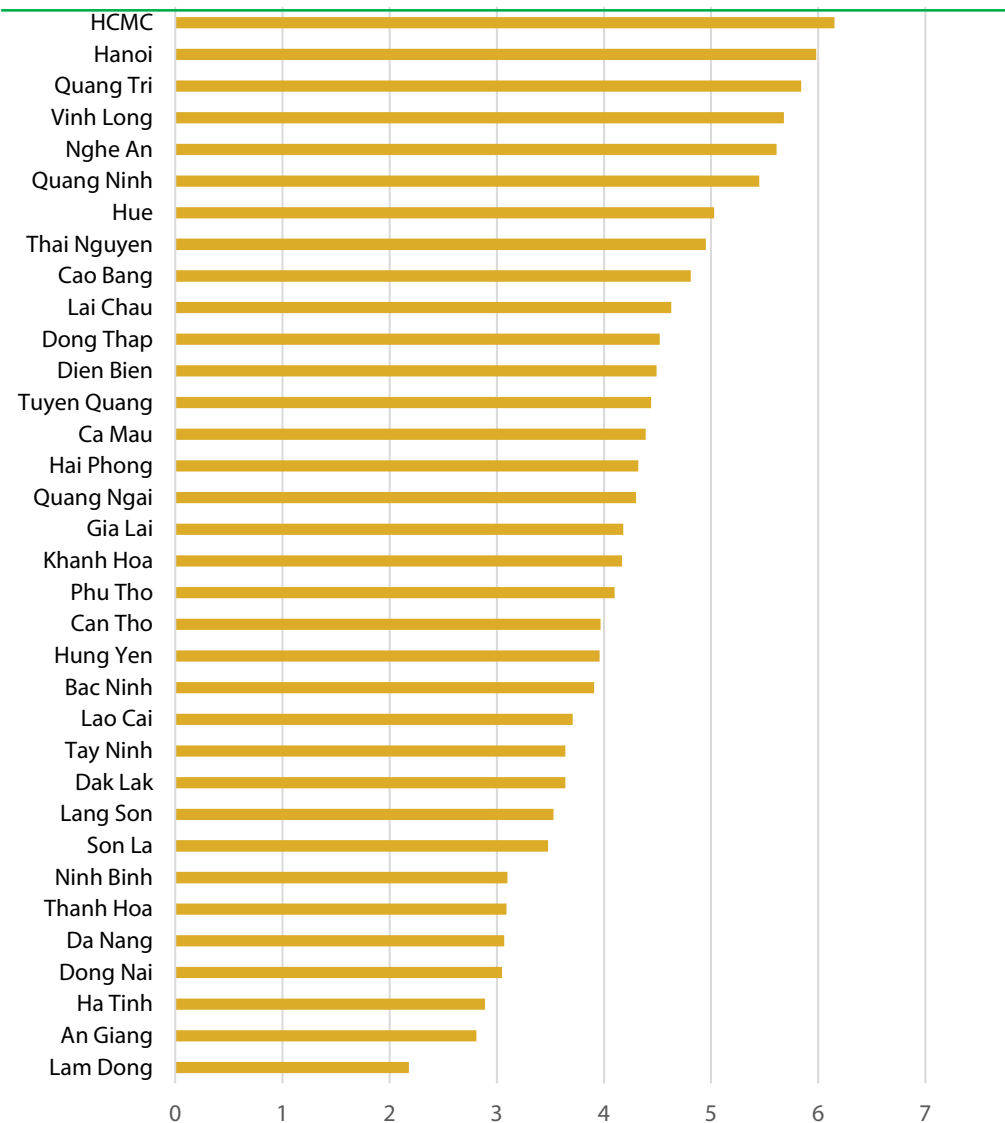
Source: Ministry of Finance, RongViet Securities

Structure of realized FDI by industry in the first 5 months of 2026

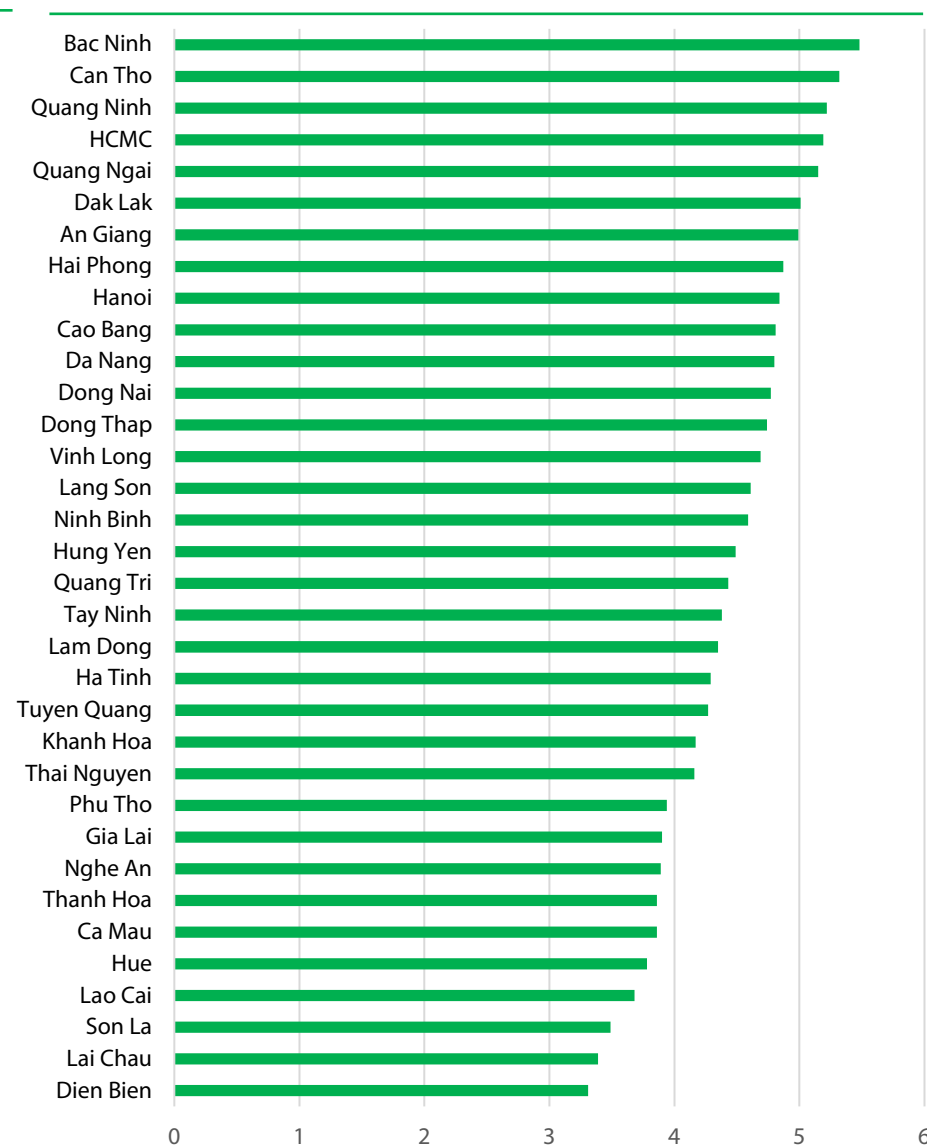


Source: Ministry of Finance, RongViet Securities

Innovation ranking by province/city in 2025



Private sector development ranking by province/city in 2025

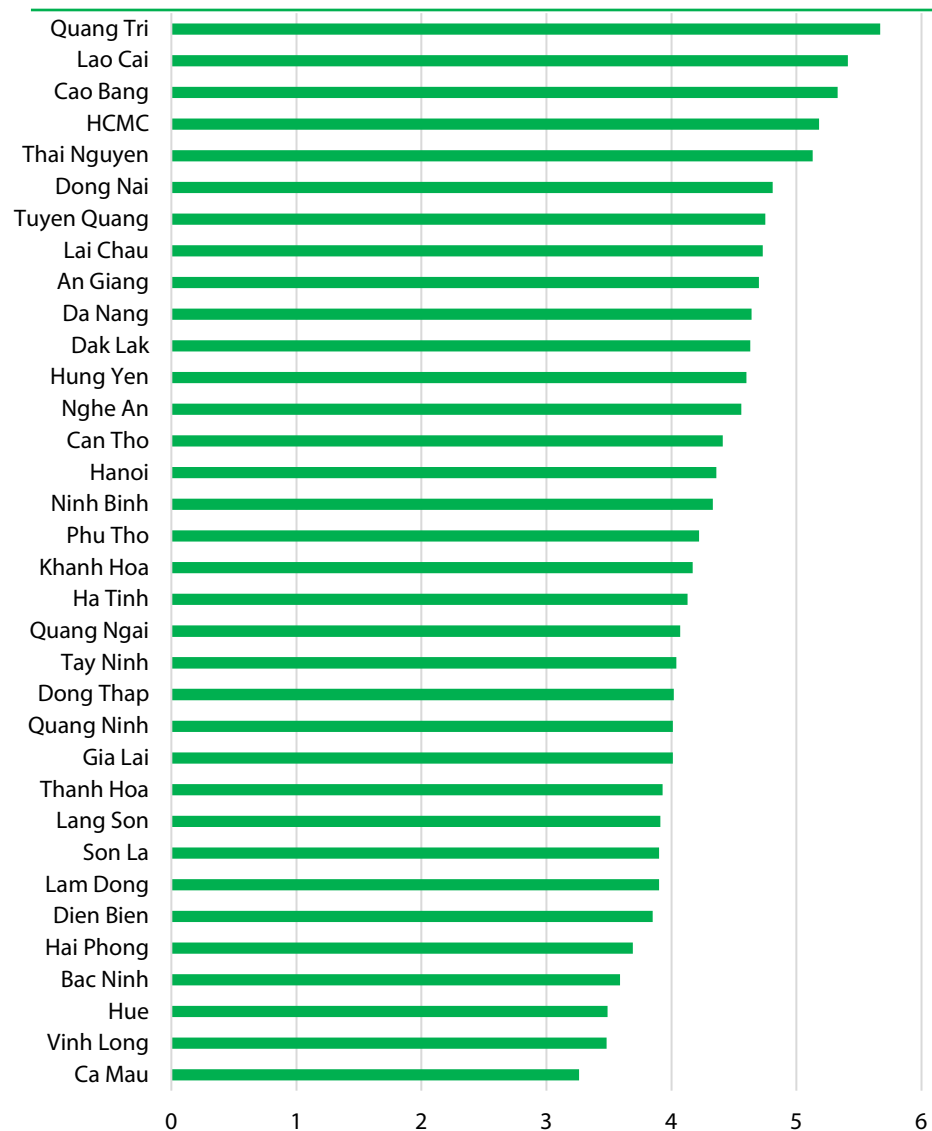


Source: VCCI, RongViet Securities

Source: VCCI, RongViet Securities

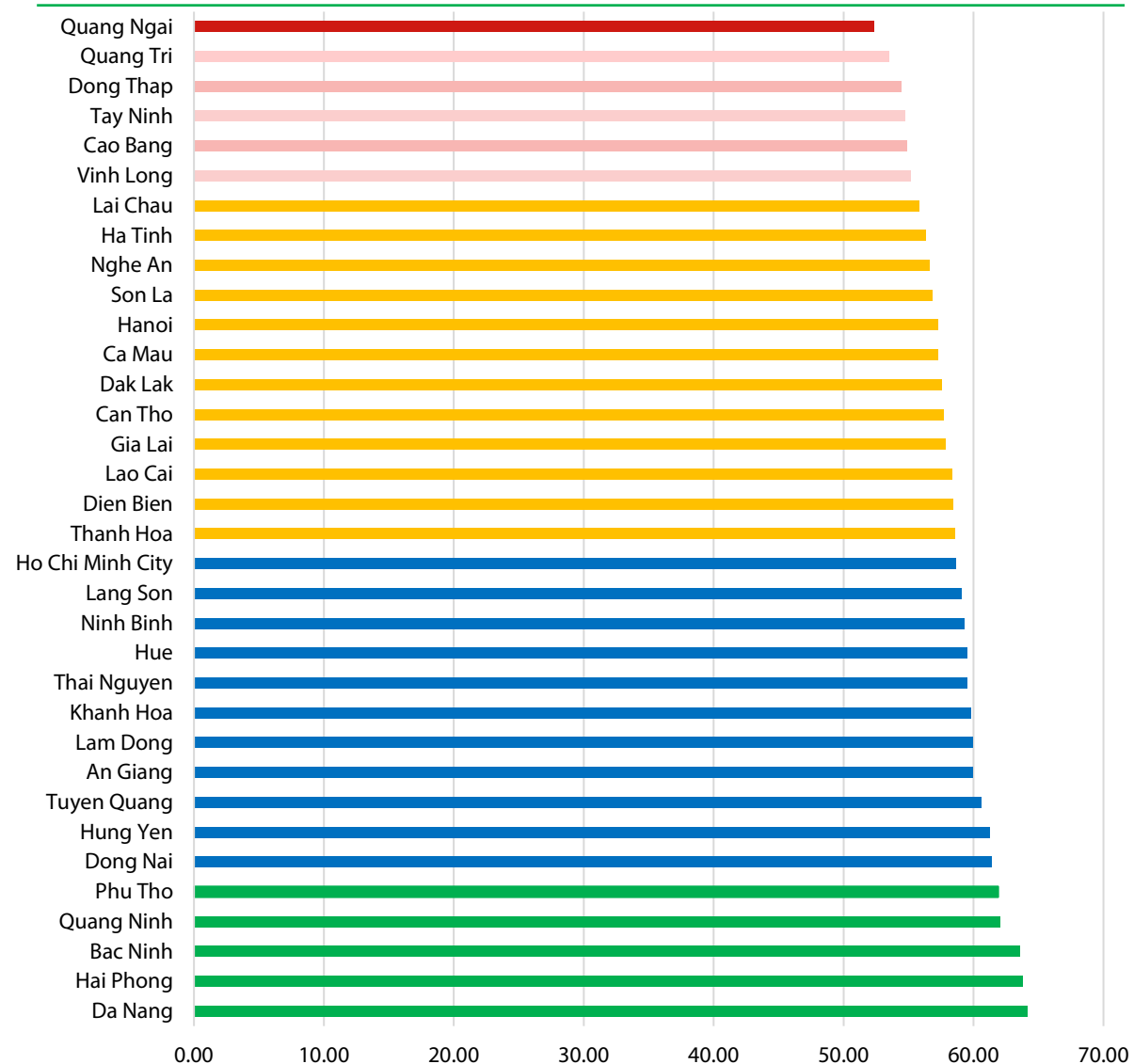
- The Private Economic Efficiency Index (BPI) measures the development efficiency of the private economic sector through 23 criteria, focusing on business health, innovation capacity, supply chain participation level, and profitability.
- The results show a quite clear divergence among localities. The top three localities have a significant distance from the rest. The national median BPI 2025 reached 4.2; while HCMC reached 5.67; Hanoi 5.51; Quang Ninh 5.33.
- HCMC leads the country in private economic efficiency thanks to its large market scale and the depth of its innovation ecosystem. The city has the highest number of newly established private enterprises and operating enterprises per 1,000 people in the country. At the same time, the level of participation in foreign supply chains of enterprises here also leads.

Private economic efficiency ranking by province/city in 2025



Source: VCCI, RongViet Securities

PCI index ranking by province/city in 2025



Source: VCCI, RongViet Securities

Changes in PCI ranking of provinces/cities in the 2022-2025 period

Rank	1	2	3	4	5	6	7	8	9	10
2022	Quang Ninh	Bac Giang	Hai Phong	Ba Ria-Vung Tau	Dong Thap	Thua Thien-Hue	Bac Ninh	Vinh Phuc	Da Nang	Long An
2023	Quang Ninh	Long An	Hai Phong	Bac Giang	Dong Thap	Ba Ria-Vung Tau	Ben Tre	Thua Thien-Hue	Hau Giang	Phu Tho
2024	Hai Phong	Quang Ninh	Long An	Bac Giang	Ba Ria-Vung Tau	Thua Thien-Hue	Hau Giang	Phu Tho	Dong Thap	Hung Yen
2025	Da Nang	Hai Phong	Bac Ninh	Quang Ninh	Phu Tho	Dong Nai	Hung Yen	Tuyen Quang	An Giang	Lam Dong

Source: Compiled by RongViet Securities

- This year's PCI is upgraded to the PCI 2.0 version with 9 component indices and 98 evaluation criteria. The criteria include: market entry, access to resources, transparency, administrative procedure compliance costs, informal costs, fair competition, business support policies, legal institutions, and a facilitating government.
- Five localities belong to the excellent management group, including Bac Ninh, Da Nang, Hai Phong, Phu Tho, and Quang Ninh. The common point of the leading group is having a balanced management structure, with at least 5/9 component indices in the national top 10.
- In particular, Bac Ninh stands out in the facilitating government and administrative procedure compliance cost indices. Da Nang continues to maintain its strength in market entry capability, leading the whole country in this criterion. Hai Phong attracts attention when having 7/9 component indices in the group of localities with the highest scores in the country, showing uniform management quality in many fields. Meanwhile, Phu Tho ranks second in the country in access to resources, while Quang Ninh continues to maintain a high position in the fair competition and facilitating government indices.
- With the two largest economic engines in the country, Hanoi and HCMC, the 2025 PCI results show that Hanoi achieved relatively high scores in access to resources and business support policies, but the fair competition score is still low. Meanwhile, HCMC has a more uniform score level, standing out in fair competition and access to resources.
- Provinces/cities after administrative boundary mergers have risen in the top 10, notably Da Nang, Hai Phong, and Bac Ninh. In general, these localities all had quite good rankings in previous years and continued to break through after the merger. Besides, "rising stars" like Dong Nai and Hung Yen also showed improved competitiveness, especially in terms of a facilitating government and access to resources.

Resolution 09-NQ/TW: Aspiration for Ho Chi Minh City's Breakthrough Development in the New Era

A strategic vision, specific targets, and 8 breakthrough solutions to build Ho Chi Minh City into a leading global urban center.

Strategic Vision to 2075



2030

By 2030: A civilized, modern, dynamic metropolis.

Becomes a regional hub for finance, administration, trade, services, science and technology – a driving force for the Southeast and the whole country. A growth pole with strong influence in the Southeast Asia region.



2045

By 2045: A deeply integrated hub, high quality of life.

A globally connected economy and hub in finance, trade, services, science and technology; a leading center for innovation and digital economy in Asia; a smart, modern and internationally competitive urban center.



2075

By 2075: A fully developed, smart, innovative global city.

Among the world's leading cities in economy, science and technology, high quality of life, and sustainable development; a regional hub for finance, trade, services, innovation, culture, and integration.

Key Targets for the 2026 – 2030 Period



8 Breakthrough Solutions to Implement Key Tasks

- Innovate growth model based on science, technology and innovation.**
Promote growth based on knowledge, science, technology and innovation; shift from extensive to intensive growth.
- Build a modern, streamlined, and effective governance system.**
Streamline the apparatus towards efficiency; approach international standards; improve policy quality and execution capacity.
- Mobilize and allocate resources effectively.**
Mobilize all social resources to develop infrastructure, connect regions; prioritize key projects and strategic works.
- Promote a dynamic and effective private economy.**
Develop a transparent, favorable and consistent investment and business environment; support businesses to grow, innovate and compete.
- Develop advanced infrastructure and smart urban spaces.**
Invest in synchronous, modern and smart infrastructure; develop green, smart and sustainable urban spaces.
- Develop people and build a creative society.**
Develop people comprehensively; build a creative, tolerant and humanistic society; promote learning society.
- Ensure national defense, security and social safety.**
Maintain political stability, social order and safety; build a safe, healthy and friendly city.
- Strengthen Party building and political system.**
Improve leadership capacity and fighting strength of the Party; build a clean, strong political system; promote solidarity, democracy and discipline.

Resolution 09 identifies the private economy as "the most important driver". Investing in digital economic infrastructure such as data centers and cloud computing requires huge capital, long lifecycles, and very high technology obsolescence risks. To encourage the private sector to invest, HCMC needs to apply two groups of superior mechanisms.

- First is creating a "legal shield" through the Special Urban Law. This law proposes delegating nearly 300 direct powers to the locality, shifting from a "ask-give" mechanism with short-term pilot nature to thorough decentralization. The stability of this legal framework helps eliminate policy lag, bringing long-term confidence to investors.
- Second is a specific financial mechanism in the public-private partnership (PPP) model. Recently, HCMC has had regulations allowing the proportion of state capital participating in digital technology PPP projects to be up to 70% of the total investment. Accompanying this is a revenue-sharing mechanism, where the State commits to ordering from the budget and opens rights for the private sector to exploit the public data ecosystem.

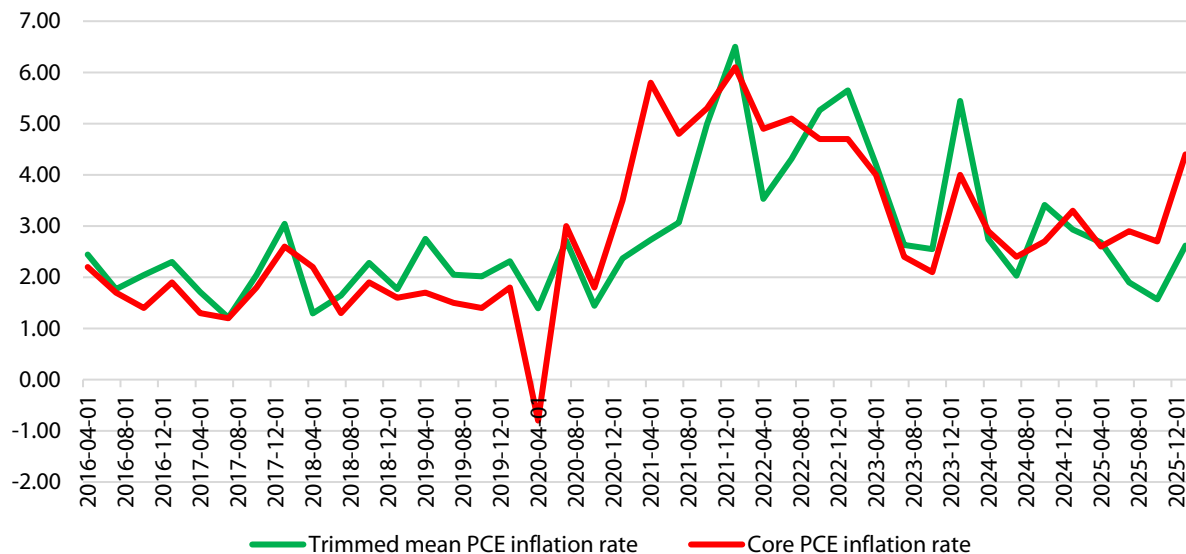
Solving the capital problem with municipal bonds: To unblock stalled projects, Resolution 09 empowers the City to exploit land resources and issue municipal bonds.

- Diversifying resources through municipal bonds is the "life-or-death key" to unblocking a series of infrastructure mega-projects, especially the goal of completing 200 km of metro. The feasibility of this tool is currently at a high level thanks to the boost from the 2025 Personal Income Tax Law (effective from July 1, 2026), whereby income from interest on local government bonds and green bonds will be completely tax-exempt. This will activate huge idle capital among the people and international investment funds.
- However, the problem of "what to use to pay bond debt" needs to be solved through exploiting land rent surplus according to the TOD model (transit-oriented development). Auctioning land funds planned around stations will create huge revenue to compensate for infrastructure costs.

Effective exploitation of land funds and the transit-oriented development (TOD) model

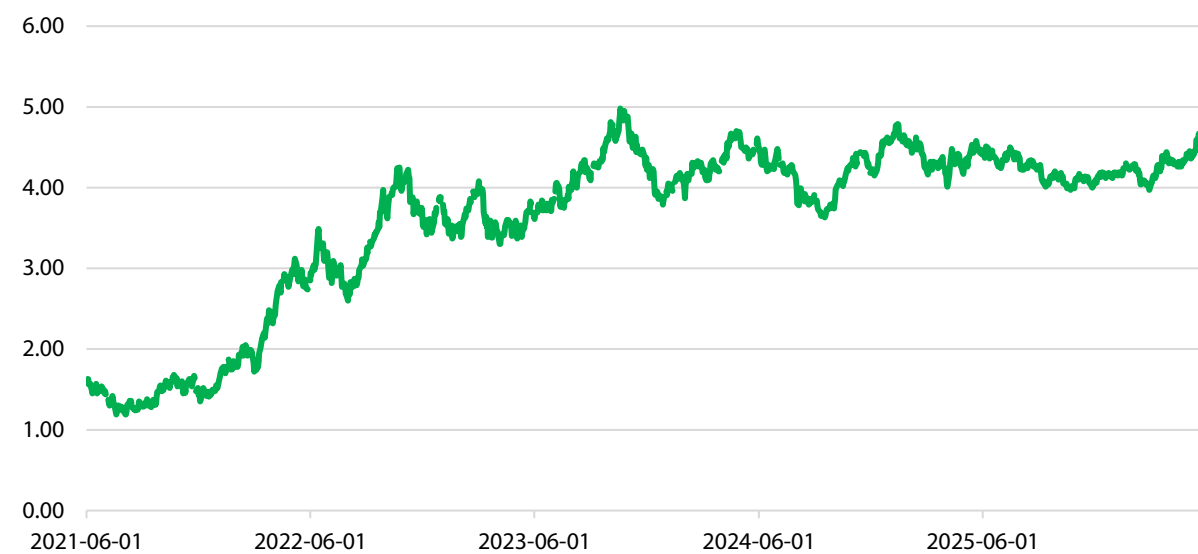
- One of the most notable highlights is the application of the Transfer of Development Rights (TDR) mechanism. This mechanism allows separating construction rights from the land, helping to transfer construction floor area through buying and selling from areas with restricted development to projects with higher density development space. This solution is expected to be a powerful tool to solve the urban reconstruction problem, creating resources to create open space and effectively preserve the City's heritage works.
- Besides, to maximize the exploitation of the transit-oriented development (TOD) model as Resolution 09 sets out, it is necessary to allow BT project investors to implement reciprocal projects right at the railway station or train maintenance depot area. Accordingly, investors have the right to build mixed-use works combining infrastructure, housing, and commercial services right in these areas. This way of doing things helps the State not have to use land funds in other locations to pay, while increasing budget revenue through converting equivalent land use area.

Common inflation measures of the FED (%)



Source: FRED, Compiled by RongViet Securities

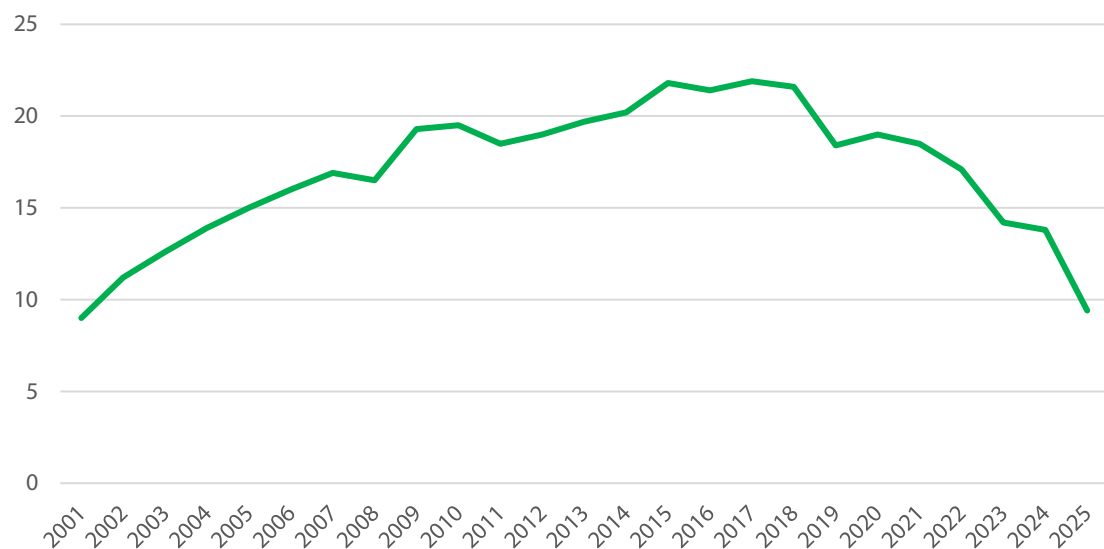
10-year U.S. Treasury yield in the 2021-present period (%)



Source: FRED, Compiled by RongViet Securities

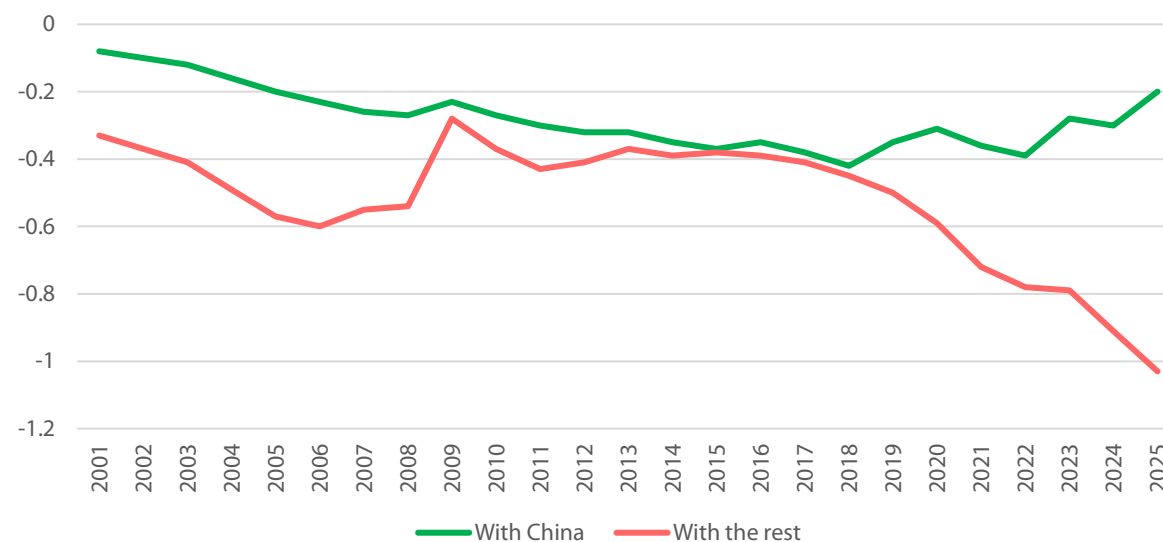
- New FED Chair Kevin Warsh has proposed a new inflation approach, Trimmed-PCE, instead of the current Core PCE. Trimmed-PCE differs from core PCE in that instead of removing 2 fixed items, energy and food, from the calculation weight, **Trimmed-PCE will remove the 2 items with the highest increase**. For example, if oil prices rise too high during the month due to war, oil prices will certainly be removed; the next month, because oil prices rise high, creating an impact on agricultural products, food prices will be removed.
- In general, all these removal decisions aim to remove the fluctuation caused by supply-side inflation, i.e., removing the inflation fluctuation that does not arise from money printing or interest rate cuts.
- Accordingly, fluctuations caused by CPI increases will not cause the FED to raise interest rates or think about raising interest rates immediately. In general, the new FED Chair will have to prioritize lowering U.S. Treasury (UST) yields through easing (QE - buying UST) and try not to raise the policy rate (FFR). Currently, the 10-year UST yield is fluctuating around 4.5-4.6% and the fixing levels are very high.

Proportion of Chinese goods in U.S. goods imports (%)



Source: UN Comtrade, Compiled by RongViet Securities

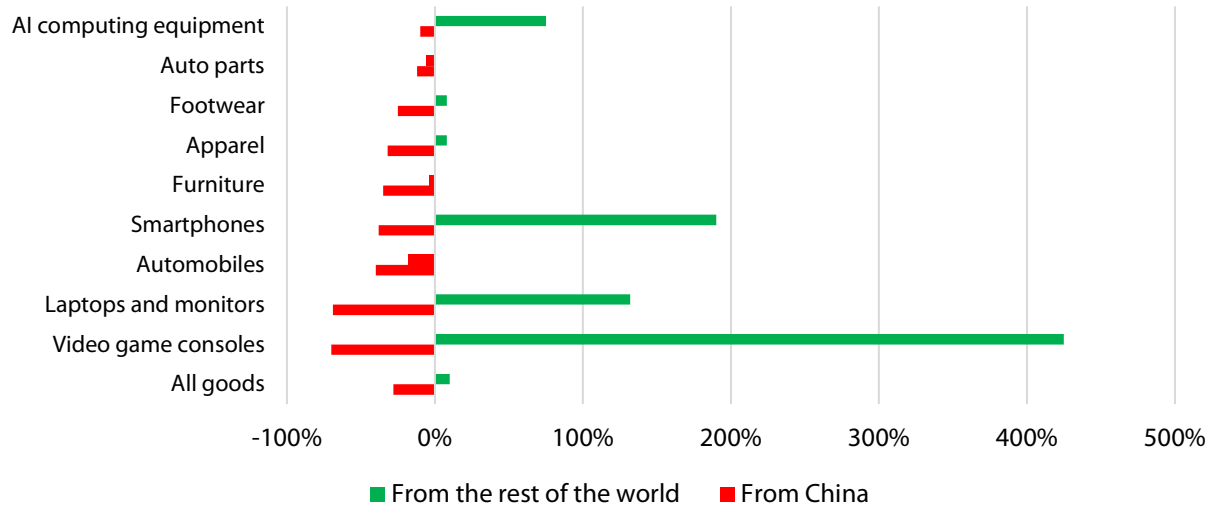
U.S. trade deficit (USD trillion)



Source: UN Comtrade, General Administration of Customs of China, Compiled by RongViet Securities

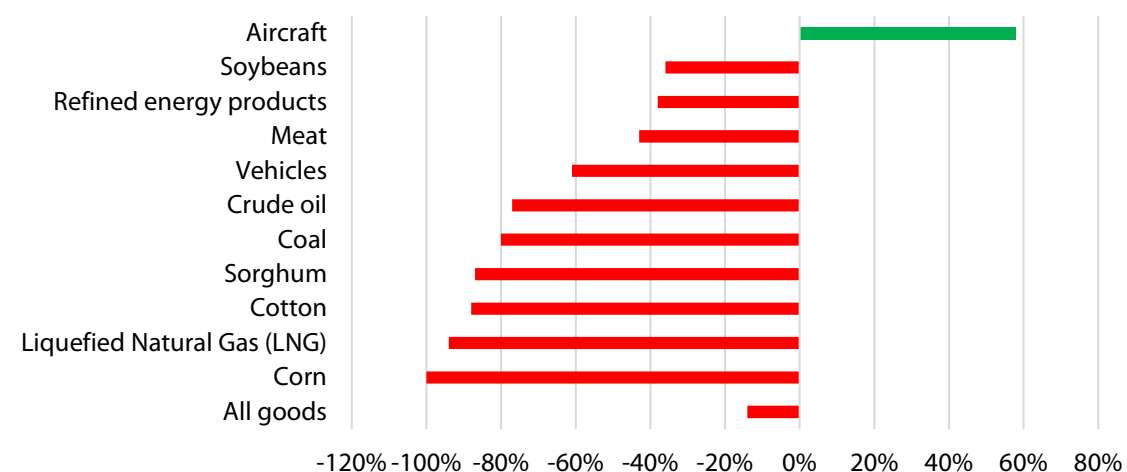
- U.S. President Donald Trump announced "liberation day" tariffs on April 2, 2025 (a 34% reciprocal tax rate on Chinese goods), which led to far-reaching impacts on trade relations between the two countries. Over the past year, trade between the world's two largest economies has fallen sharply, to its lowest level in decades.
- The consequence of this escalating trade war is that the U.S. goods trade deficit with China has decreased by 32% to \$202 billion, the lowest level since 2005. However, the U.S. overall goods trade deficit has increased by 2.1% to a record level of \$1.24 trillion, as U.S. importers quickly shifted to buying goods from other markets such as Mexico, Vietnam, and Taiwan.
- Chinese export products to the U.S. were heavily affected, including products such as laptops and smartphones, which faced Mr. Trump's tariffs for the first time. For most of 2025, Mr. Trump imposed a tariff of at least 20% on all Chinese goods.
- For its part, China compensated for the difficulties it encountered in the U.S. market by increasing exports to other markets, reaching a record trade surplus of \$1.2 trillion over the past year.

Changes in U.S. goods imports in 2025 (%)



Source: UN Comtrade, Compiled by RongViet Securities

Changes in China's goods imports from the U.S. in 2025 (%)



Source: General Administration of Customs of China, Compiled by RongViet Securities

- Although China's market share in U.S. consumer electronics imports has fallen sharply, the country still dominates in the field of rare earths - important minerals for producing many types of goods. China's imposition of rare earth export controls has caused significant production disruption for U.S. defense manufacturers, automakers, and other companies. As of May 14, 2026, at the U.S.-China Summit held in Beijing, the rare earth issue had not yet reached a consensus between the two countries.
- At the recent U.S.-China Summit, the U.S. and China agreed to establish a Trade Council and an Investment Council. This mechanism aims to handle obstacles regarding market access for agricultural products, while promoting bilateral trade "within the framework of reciprocal tariff reduction". It is expected that this mechanism will help the two sides reduce tariffs on some non-sensitive items - i.e., goods not directly related to national security or strategic technology.
- These agreements show that Washington is adjusting its focus in negotiations with Beijing. Instead of continuing to pressure China to change its state-directed economic model, the U.S. is shifting to pursuing more specific trade goals in non-strategic areas. However, Washington still maintains broad-based tariffs and export controls on sensitive technologies.
- The trend of U.S.-China trade decline continues in 2026, even though the two sides reached a trade "truce" agreement last October at the summit meeting between Mr. Trump and Mr. Xi in South Korea. China's exports to the U.S. in March and April this year decreased by 12% compared to the same period last year.

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