

Research Department
research@gtht.com.vn
15/09/2026

Vietnam Macro Update - August 2026 and Key Highlights

Key highlights:

- **Industrial production remained the economy's key growth engine.** In August, the industrial production index (IIP) rose **14.4% YoY**, sustaining strong momentum and bringing 8M26 IIP growth to **11.9% YoY**, reflecting robust expansion in manufacturing and demand for export-oriented production. Manufacturing alone grew **14.6% YoY** in August and **12.5% YoY** in 8M26, remaining the main driver of industrial growth.
- **Domestic consumption continued to improve, reflecting resilient domestic demand.** Retail sales of goods and consumer services rose **14.9% YoY** in August, taking 8M26 growth to **13.3% YoY**; excluding price effects, real growth reached **7.6%**, indicating that domestic demand continued to recover and contributed positively to economic growth.
- **International trade continued to expand strongly, while pressure from the trade balance eased in August.** In 8M26, exports reached approximately **USD 374.8 bn**, up **22.4% YoY**, while imports reached about **USD 395.3 bn**, up **35.3% YoY**, resulting in a trade deficit of around **USD 20.46 bn**. In August alone, exports reached **USD 54.8 bn (+26.0% YoY)** and imports **USD 54.9 bn (+37.9% YoY)**, narrowing the monthly trade deficit to just **USD 0.12 bn**, a marked improvement from **USD 3.59 bn in July**. This reflects continued strong demand for imported raw materials, machinery, and production inputs as manufacturing and investment activity expands.
- **Registered FDI continued to grow strongly**, with cumulative registered FDI in 8M26 reaching **USD 40.63 bn**, up **55.4% YoY**, while disbursed FDI reached **USD 17.25 bn**, up **12.0% YoY**. The trend continues to reflect foreign investors' confidence in Vietnam's long-term growth outlook, investment environment, and position in global supply chains.
- **Inflation remained under control, but price pressures are increasing.** August CPI rose **4.89% YoY**, above **4.45% in July**, while 8M26 average CPI increased **4.45% YoY** and core inflation **4.24%**. The overall price level therefore remains close to the Government's inflation target of around 4.5%, but the policy buffer for controlling inflation in the final months of the year is narrowing.
- **Public investment** continued to accelerate in August. In 8M26, disbursement from the State budget reached around **VND 546.8 tn**, **equivalent to 50.5% of the annual plan and up 18.5% YoY**, improving from 39.0% of the plan after seven months. Disbursement has accelerated as the Government continues to push implementation of key infrastructure projects to support its high-growth target for 2026.

Key Macroeconomic Indicators of Vietnam

Indicator	2020	2021	2022	2023	2024	2025E	2026F
GDP & Employment							
Annual GDP growth (%)	2.87	2.55	8.54	4.98	7.04	8.02	8.5
GDP (USD bn)	346	370	411	433	476	514	558
GDP per capita (USD)	3,558	3,757	4,132	4,316	4,702	5,026	5,453
Public debt/GDP (%)	43.8	44.7	37.4	36.9	37	36.8	40
State budget deficit (% GDP)	2.7	2.5	3.1	2.9	2.8	3.6	5
Total credit outstanding/GDP	115	124	125	133	136	145	160
Disbursed FDI/GDP (%)	5.8	5.3	5.4	5.4	5.3	5.4	5.4
Unemployment rate, year-end (%)	2.37	3.56	2.32	2.26	2.22	2.22	2.23
Trade							
Trade balance (USD bn)	19.9	3.3	12.1	28.4	24.9	20	-10
Imports (USD bn)	263	333	360	326	381	455	560
Import growth (% YoY)	3.7	26.7	8	-9.2	16.7	19.4	23.1
Exports (USD bn)	283	336	372	355	406	475	550
Export growth (% YoY)	6.9	18.9	10.6	-4.6	14.4	17	15.8
Disbursed FDI (USD bn)	20	19.7	22.4	23.2	25.4	27.6	30
Committed FDI (USD bn)	28.5	31.2	27.7	39.4	38.2	38.4	45
Manufacturing & Consumption							
Manufacturing PMI (year-end)	51.7	52.5	46.4	48.9	49.8	53.8	51.5
Industrial Production Index (% YoY, year-end)	9.5	8.7	0.2	5.8	8.8	10.1	10
Annual nominal retail sales growth (%)	-0.9	-9.1	19.8	9.4	9	9.2	12
Monetary Policy & Interest Rates							
Policy rate (%)	4	4	6	4.5	4.5	4.5	4.5
Credit growth (YoY %)	12.2	13.6	14.2	13.8	15.1	19	15
FX reserves (USD bn)	95	107	85	90	81	83	85
12-month deposit rate (%)	5.6	5.5	7.4	4.8	4.6	5.2	7
Deposit rate cap (<6 months, %)	4	4	6	4.75	4.75	4.75	4.75
5-year government bond yield (%)	1.2	1	4.6	1.9	2.4	3.3	4.2
10-year government bond yield (%)	2	2.9	4.8	2.2	2.8	3.8	4.4
Exchange Rate & Inflation							
Exchange rate (VND/USD, year-end)	23,085	22,765	23,555	24,265	25,480	26,300	27,000
12-month average inflation (% YoY)	3.2	1.8	3.1	3.3	3.6	3.3	4.5

Source: General Statistics Office, SBV, World Bank, IMF, GTHT RS team

DETAILED REPORT

Industrial Production

Industrial production maintained positive growth momentum in August. The industrial production index (IIP) was estimated to rise 1.5% MoM and 14.4% YoY. In 8M26, IIP increased 11.9% YoY, the strongest eight-month growth in many years.

Industrial growth since the beginning of the year has remained concentrated in manufacturing. In 8M26, manufacturing IIP rose 12.5%, above the 10% growth recorded in the same period of 2025, and contributed 9.6 percentage points to overall industrial growth. Mining increased 8.1%, electricity production & distribution rose 10.1%, and water supply & waste and wastewater management increased 9.4%.

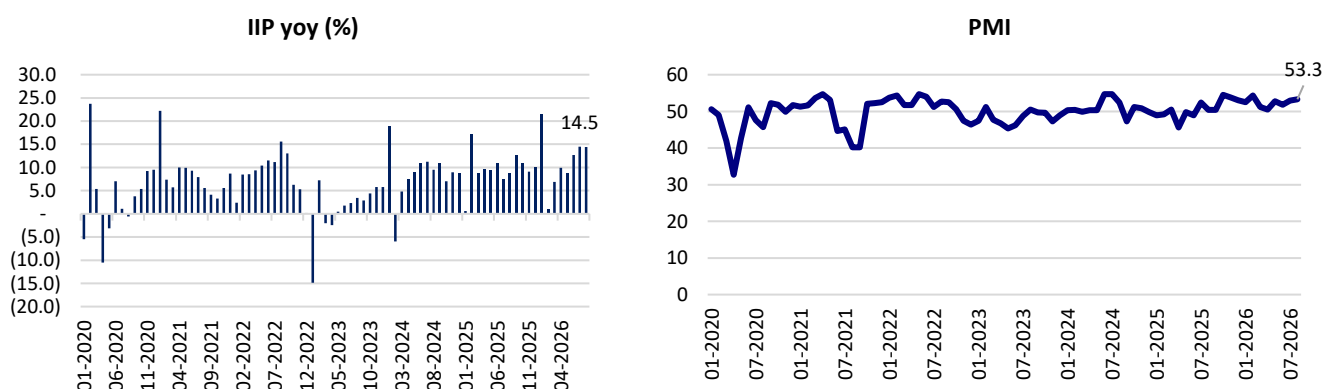
At the same time, 8M26 IIP in several key level-II industries rose YoY: metal production +22.4%; beverage production +16.4%; motor vehicle production +15.9%; electrical equipment production +14.6%; and production of electronic products, computers and optical products +13.9%, etc.

August PMI extended its rise to 53.3

This was the 14th consecutive month that the PMI remained above the 50-point threshold, indicating continued improvement in business conditions. According to S&P Global, the increase in August PMI was driven by the development and launch of new products, more abundant raw-material supply, improved customer demand, and easing price pressures. Factory output expanded for the 16th consecutive month at the fastest pace in more than two years. New orders also increased at the fastest rate since October 2025.

Nevertheless, the order picture was not entirely even. New export orders declined for the first time in four months.

Meanwhile, higher oil prices kept raw-material and logistics cost pressures elevated, although the pace of price increases moderated in August.



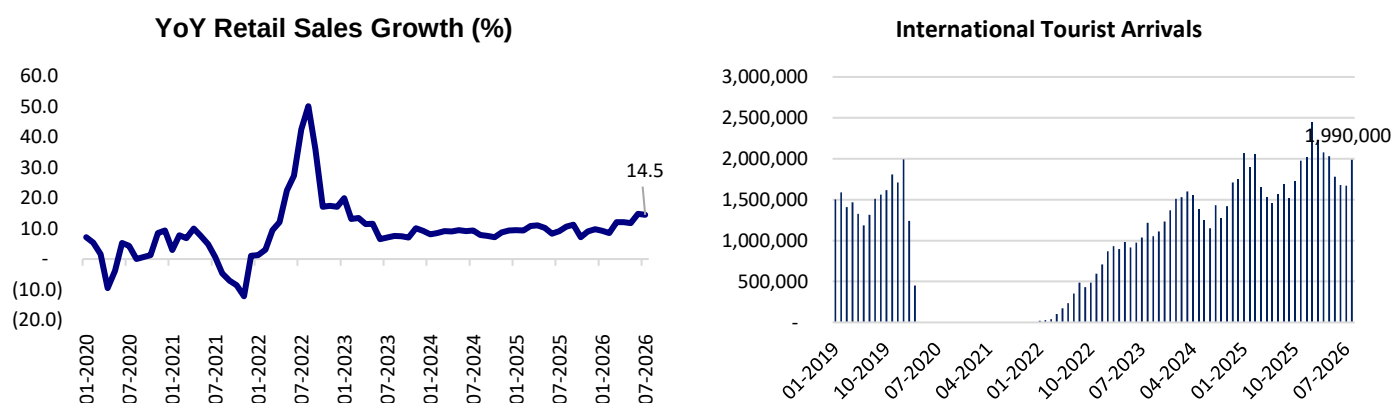
Source: General Statistics Office, S&P Global, GTHT RS team

Retail Sales

Total retail sales of goods and consumer service revenue at current prices were estimated at VND 679.8 tn in August 2026, up 1.6% MoM and 14.9% YoY. In 8M26, total retail sales of goods and consumer service revenue at current prices were estimated at VND 5,235.5 tn, up 13.3% YoY; excluding price effects, growth reached 7.6% (vs. 7.5% in the same period of 2025).

Of the total, retail sales of goods were estimated at VND 3,947.6 tn, accounting for 75.4% and increasing 12.8% YoY. Categories recording strong growth included gems, precious metals and related products (+28.1%); other goods (+19.2%); wood and construction materials (+16.5%); other fuels excluding petrol and oil (+16.4%); and petroleum products (+15.2%).

By locality, 8M26 retail sales of goods increased 14.2% in Da Nang, 13.9% in Quang Ninh, 13.1% in Can Tho and Hai Phong, 12.8% in Hanoi, and 12.2% in Ho Chi Minh City.



Source: General Statistics Office, GTHT RS team

Foreign Direct Investment

Total registered foreign direct investment (FDI) into Vietnam as of August 31, 2026 reached USD 40.63 bn, up 55.4% YoY; disbursed FDI rose 12% YoY to the highest eight-month level in five years.

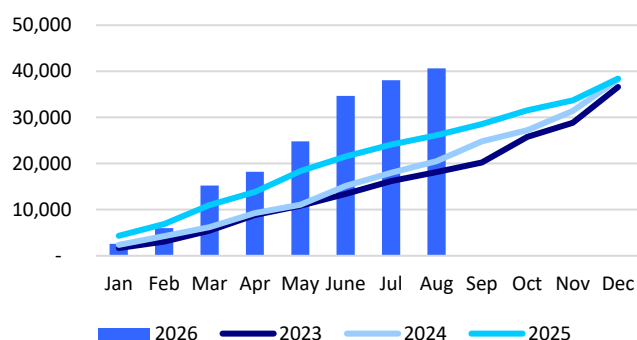
The 55.4% increase included newly registered capital, additional registered capital, and foreign investors' capital contributions and share purchases. Of this, 2,771 newly licensed projects registered USD 21.72 bn. The number of projects rose 9.4%, while newly registered capital increased 96.8% YoY.

By sector, manufacturing and processing attracted the largest amount of newly licensed FDI at USD 12.15 bn, accounting for 55.9% of total newly registered capital. Electricity, gas, water and air-conditioning supply reached USD 3.13 bn, or 14.4%, while other sectors totaled USD 6.44 bn, or 29.7%.

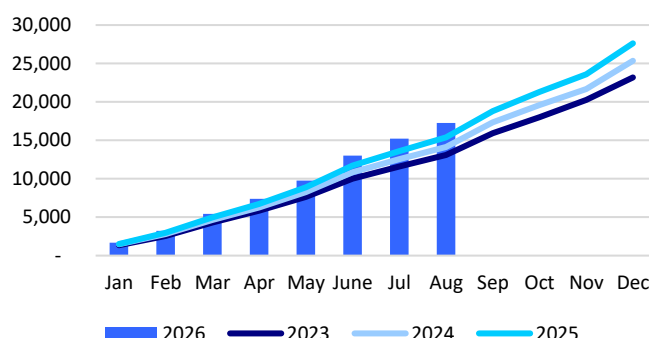
In 8M26, investors from 73 countries and territories received licenses for new projects in Vietnam. Singapore was the largest investor with USD 7.62 bn, accounting for 35.1% of total newly registered capital, followed by South Korea with USD 5.67 bn (26.1%). Hong Kong SAR (China) registered USD 2.96 bn (13.6%), followed by China at USD 1.93 bn (8.9%) and Japan at USD 1.42 bn (6.5%).

A notable bright spot was the continued increase in disbursed FDI over the first eight months, estimated at USD 17.25 bn, up 12% YoY and the highest eight-month disbursement in five years. Manufacturing and processing accounted for USD 14.24 bn, or 82.6% of total disbursed FDI. Real estate business activities reached USD 1.29 bn, or 7.5%, while electricity, gas, steam, hot-water and air-conditioning supply reached USD 622.9 mn, or 3.6%.

Annual Cumulative Registered FDI (USD mn)



Annual Cumulative Disbursed FDI (USD mn)



Source: Ministry of Planning and Investment, GTHT RS team

Exports & Imports

In August 2026, total merchandise exports and imports reached USD 109.7 bn, down 0.1% MoM and up 31.7% YoY. In 8M26, total trade exceeded USD 770 bn, the highest eight-month level on record, up 28.7% YoY. A key highlight in August was the sharp narrowing of the trade deficit to only USD 120 mn, from much higher deficits in previous months.

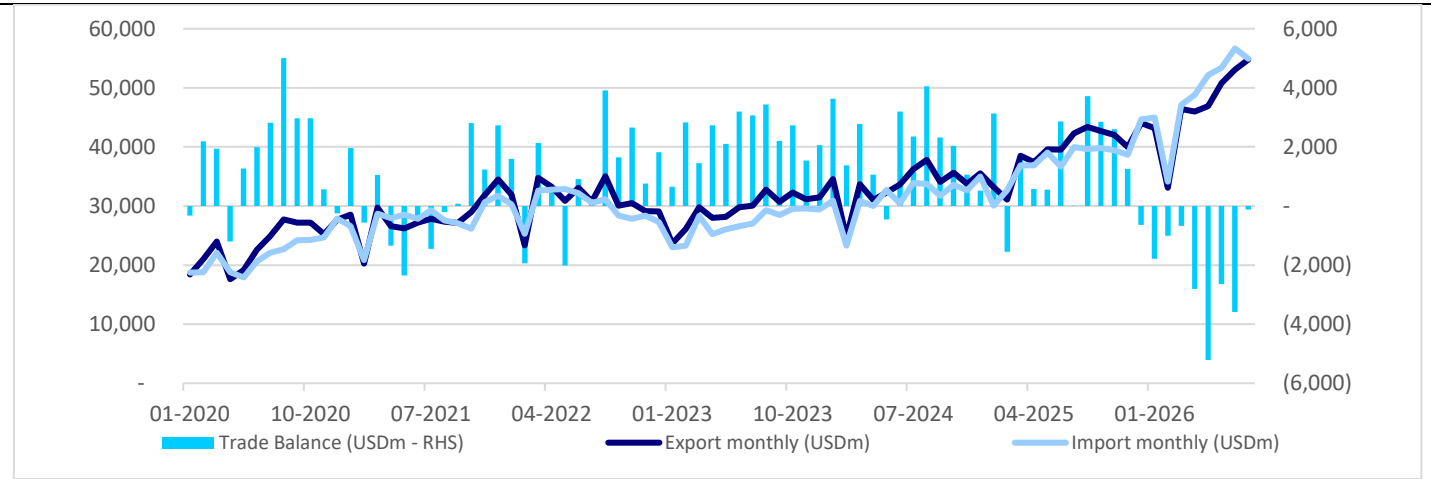
Of the total, merchandise exports reached USD 374.84 bn, up 22.4% YoY. The domestic sector recorded USD 74.47 bn, up 7.4% and accounting for 19.9% of total exports; the foreign-invested sector (including crude oil) reached USD 300.37 bn, up 26.9% and accounting for 80.1%.

Conversely, merchandise imports reached USD 395.3 bn in 8M26, up 35.3% YoY. The domestic sector recorded USD 105.07 bn, up 23.7%, while the foreign-invested sector reached USD 290.23 bn, up 40.1%.

As a result, the merchandise trade balance remained in deficit at USD 20.46 bn in 8M26, still a high level, especially compared with a trade surplus of more than USD 14 bn in the same period last year.

By market, the Statistics Office reported that Vietnam posted an 8M26 trade surplus of USD 106.6 bn with the US, up 22.7% YoY; USD 31.4 bn with the EU, up 22.8%; and USD 2.4 bn with Japan, up 58%. Conversely, the trade deficit with China reached USD 107.7 bn, up 41.7%; with South Korea, USD 37.8 bn, up 89.4%; and with ASEAN, USD 13.5 bn, up 43.4%.

Overall, Vietnam's export-import outlook for the final months of the year remains stable, supported by continued expansion in manufacturing and processing, strong growth in newly registered FDI, and high demand for imported production inputs. However, the quality of this trend should not be assessed solely by the pace of trade-value growth. The key issue is whether current FDI inflows and imports of machinery and raw materials can be converted into greater production capacity, exports, and domestic value added in subsequent periods.



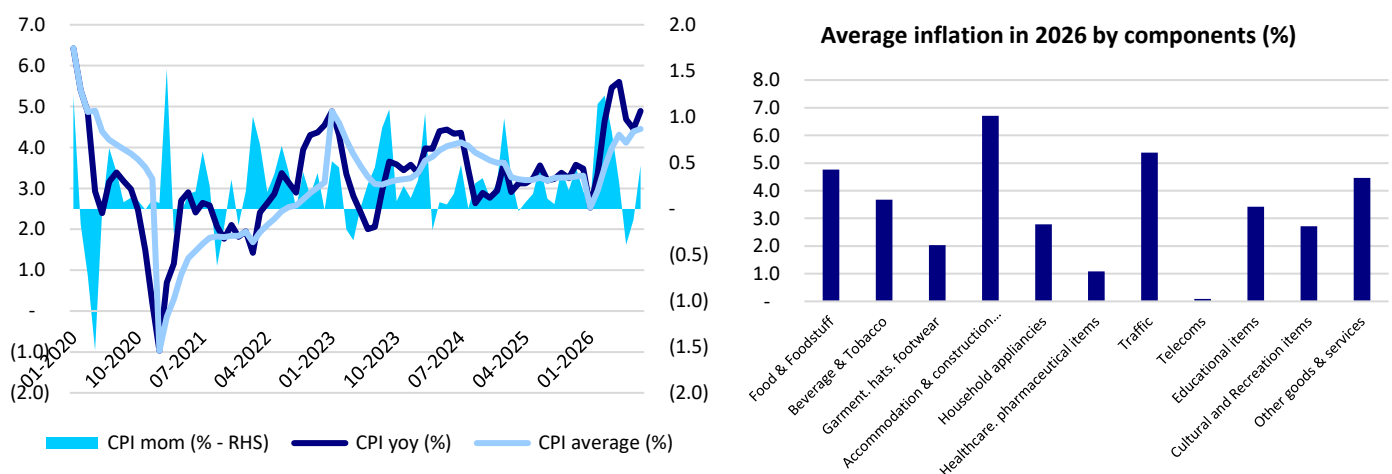
Source: Vietnam Customs, General Statistics Office, GTHT RS team

Inflation

Inflationary pressure increased again in August amid escalating Middle East tensions and higher oil prices. CPI rose 0.47% MoM in August 2026 (urban areas +0.47%; rural areas +0.46%). Of the 11 main groups of consumer goods and services, 10 recorded price increases; only food and catering services declined 0.03%, mainly due to lower rice and pork prices.

As of early September, there were still no signs of easing in the Middle East conflict zone. Oil prices reached USD 95/barrel on September 3, rising sharply from July lows. In August, the diesel price index increased 22.15% and the gasoline price index rose 9.53%, reflecting domestic fuel-price adjustments. GTHT provided assessments of the Iran situation and international oil markets from the beginning of the conflict, and these forecasts remain valid to date. We expect oil prices to stay elevated through year-end, particularly in Q4, when entities that borrowed from the US Government's SPR (Strategic Petroleum Reserve) are required to return volumes under the original agreements.

At present, **we maintain our 2026 inflation forecast at 4.5-5%**, broadly in line with the inflation scenario developed by the Services and Price Statistics Department, and we will update our forecast in response to new developments in commodity and service markets as well as policy actions.



Source: General Statistics Office, GTHT RS team

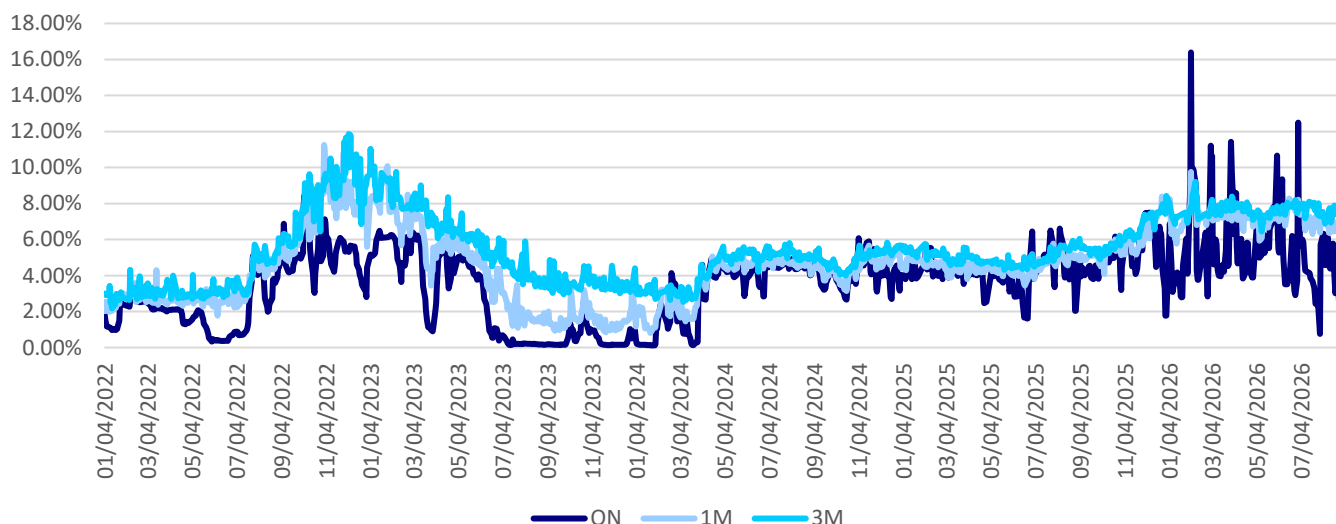
Interest Rates and Exchange Rate

Interbank rates improved markedly toward the end of August, with the overnight rate falling to 1.19% p.a. on August 28 as the SBV stepped up liquidity support through OMO operations. In the final week of August alone, the SBV injected a net VND 54.9 tn, showing that the central bank continued to proactively manage liquidity to contain short-term rate pressures. However, liquidity pressure was not fully resolved, as the overnight rate quickly rebounded to 6.01% p.a. on September 3 after the holiday, while longer tenors remained relatively high at around 6.3-7.3% p.a. for maturities from one week to three months.

Despite some policy adjustment, deposit rates remained relatively high and differentiated across banks, particularly among private joint-stock banks, while the Big 4 continued to maintain lower levels. We believe deposit rates are unlikely to decline quickly in the short term; however, a positive sign is that broad-based upward pressure has eased compared with July. In the near term, rates will likely remain relatively high, cool gradually, and diverge across banks, while monetary policy continues to support targeted growth without compromising macroeconomic stability.

Policymakers currently face a difficult trade-off: market-1 interest rates applicable to households and non-financial corporates remain high, while inflation is also approaching its threshold. Under current conditions, the Government will likely tolerate inflation slightly above the target threshold to support economic growth; however, if the external environment deteriorates due to factors such as recession or higher Fed rates, the policy stance may change.

VIBOR Rate Movements



Source: Bloomberg Terminal, GTHT RS team

Exchange Rate

The VND performed more favorably in August than in the preceding period as USD/VND pressure eased visibly. According to the Statistics Office, the USD price index fell 0.38% MoM in August and 0.38% from end-2025, indicating that the VND remained among the relatively stable currencies in the region.

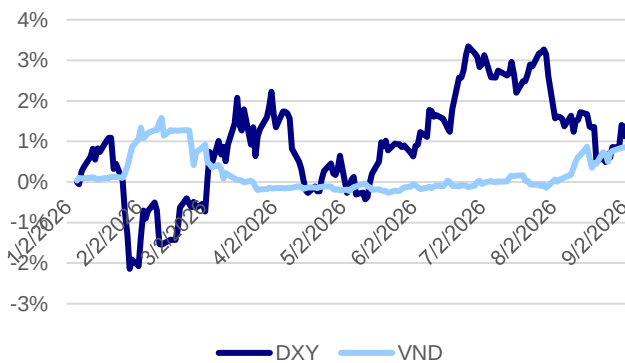
However, the underlying foreign-currency balance remains less favorable, as Vietnam recorded a trade deficit of around USD 20.5 bn in 8M26. This will continue to pressure foreign-currency demand in the final months of the year, even though the trade deficit improved in August.



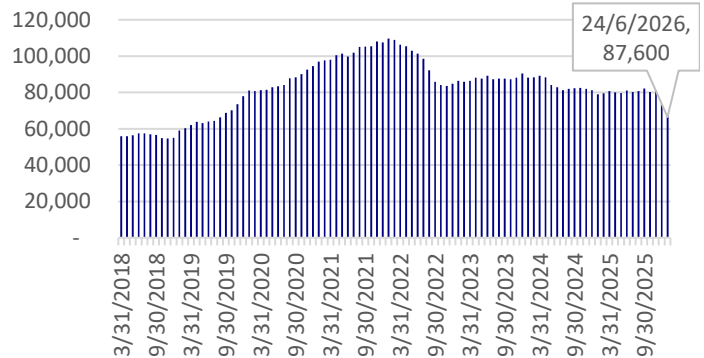
The USD outlook has also changed from the beginning of the year, although upside risks remain. In August, expectations that the Fed would maintain or ease monetary policy initially weakened the USD, but toward month-end, hawkish remarks by Fed Chair Kevin Warsh and renewed inflation concerns led markets to reprice the probability of a Fed rate hike. In early September, the probability of a September rate increase remained volatile and highly dependent on the US CPI data released on September 11. Accordingly, global USD movements remain one of the most important variables for USD/VND in the final months of the year.

We continue to expect the VND to depreciate by around 3-5%, reflecting rising inflation pressure, a large trade deficit, lower foreign-currency supply toward year-end as early-year foreign-currency borrowings are repaid, and the impact of Fed rate decisions. Looking ahead, Vietnam's official inclusion in the FTSE emerging-market index basket is expected to partly improve foreign-currency supply. In fact, the relative stability of the VND despite a record trade deficit has been supported in large part by USD credit growth of around 50% so far, adding tens of billions of US dollars of foreign-currency supply to the market. Nevertheless, these are generally short-term borrowings, meaning exchange-rate pressure is being deferred to the near future rather than fully resolved.

VND Performance YTD 2026



Vietnam FX Reserves (USD mn)



Source: Bloomberg Terminal, IMF, SBV, GTHT RS team

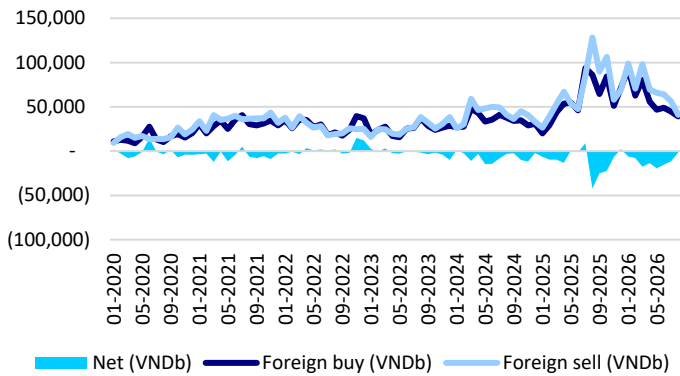
Stock Market

The VN-Index recovered well in August but is now facing pressure from the global equity-market sell-off amid adverse developments in bond markets and interest rates.

A positive development was that foreign net selling eased to just over VND 1.6 tn in August, compared with more than VND 10 tn in each of the preceding months. Capital flows are expected to strengthen gradually in the coming months on the back of the market-upgrade effect.



Foreign investors transaction (VNDb)

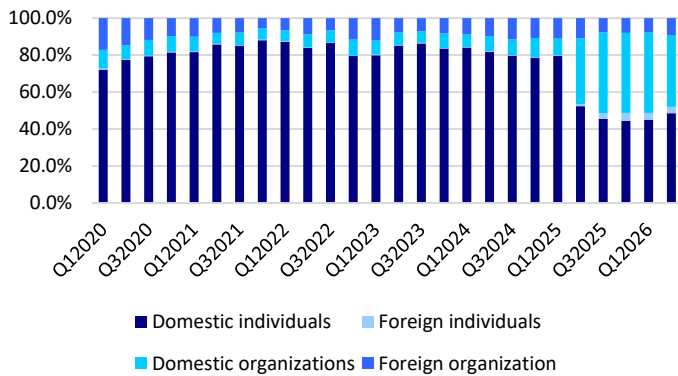


VNINDEX performance

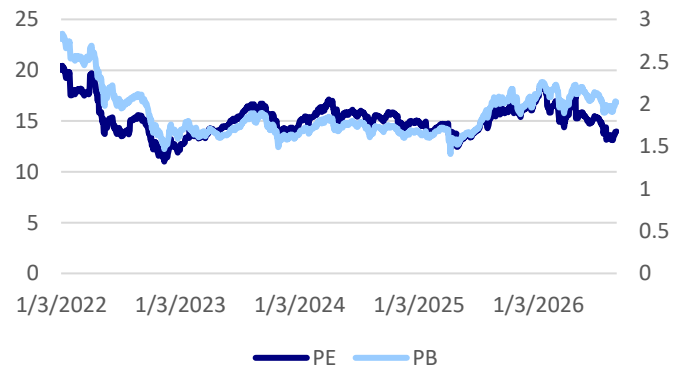


Source: Bloomberg, Ho Chi Minh Stock Exchange, GTHT RS team

Trading value by investors



VN-Index Valuation



Source: Bloomberg Terminal, FiinPro, GTHT RS team

STOCK RATING

Reference index: VN-Index.

Investment horizon: 6 to 18 months

Recommendation	Definition
Buy	Expected return $\geq 15\%$ Or the company/sector has a positive outlook
Accumulate	Expected return from 5% to 15% Or the company/sector has a positive outlook
Neutral	Expected return from -5% to 5% Or the company/sector has a neutral outlook
Reduce	Expected return from -15% to -5% Or the company/sector has a negative outlook
Sell	Expected return below -15% Or the company/sector has a negative outlook

SECTOR RATING

Reference index: VN-Index

Investment horizon: 6 to 18 months

Rating	Definition
Outperform	Sector average return exceeds the VN-Index by more than 5% Or the sector outlook is positive
Neutral	Sector average return versus the VN-Index is between -5% and 5% Or the sector outlook is neutral
Underperform	Sector average return underperforms the VN-Index by more than 5% Or the sector outlook is negative

DISCLAIMER

The views expressed in this report reflect the personal opinions of the analyst responsible for preparing the report regarding the securities or issuers covered. Investors should use this report for reference only and should not regard it as investment advice when making investment decisions. Investors bear full responsibility for their own investment decisions. Guotai Haitong Securities (Vietnam) Joint Stock Company shall not be liable for any loss or event deemed to constitute a loss arising from or related to the use of all or any part of the information or opinions contained in this report.

The analyst responsible for preparing this report receives compensation based on various factors, including the quality and accuracy of research, client feedback, competitive factors, and the Company's revenue. Guotai Haitong Securities (Vietnam) Joint Stock Company and its officers, Chief Executive Officer, and employees may have interests in any securities mentioned in this report or in related investments.

The analyst responsible for preparing this report has made reasonable efforts to prepare it based on information believed to be reliable at the time of publication. Guotai Haitong Securities (Vietnam) Joint Stock Company makes no representation, warranty, or guarantee as to the completeness or accuracy of such information. The views and estimates in this report represent only the views of the responsible analyst as of the publication date, should not be construed as the views of Guotai Haitong Securities (Vietnam) Joint Stock Company, and are subject to change without prior notice.

This report has been prepared solely to provide information to investors, including institutional and individual clients of Guotai Haitong Securities (Vietnam), in Vietnam and overseas, in accordance with the applicable laws and regulations of the jurisdictions in which this report is distributed. It is not intended to constitute any offer or recommendation to buy, sell, or hold any specific security in any jurisdiction. The views and recommendations presented herein do not take into account differences in the objectives, needs, strategies, or specific circumstances of individual investors. Investors acknowledge that conflicts of interest may exist and may affect the objectivity of this report.

The contents of this report, including but not limited to its recommendations, do not constitute a basis for any investor or third party to require Guotai Haitong Securities (Vietnam) Joint Stock Company and/or the analyst responsible for preparing this report to perform any obligation toward such investor or third party in connection with the investor's investment decision and/or the contents of this report.

This report may not be copied, published, or redistributed by any person for any purpose without the prior written permission of an authorized representative of Guotai Haitong Securities (Vietnam) Joint Stock Company. Please cite the source when quoting this report.

GUOTAI HAITONG VIETNAM RESEARCH DEPARTMENT

Nguyễn Kỳ Minh

Chief Economist

minhmk@gtht.com.vn

(024) 35.730.073- ext:706

Trần Thị Hồng Nhung

Director

nhungtth@gtht.com.vn

(024) 35.730.073 - ext:703

CONTACT	HEAD OFFICE HANOI	BRANCH HO CHI MINH CITY
Advisory hotline: (024) 35.730.073	P9-10, 1st Floor, Charmvit Tower	3rd Floor, No. 2 BIS, International Square, Ward 6, District 3, Ho Chi Minh City
Trading hotline: (024) 35.779.999	Tel: (024) 35.730.073	Tel: (028) 38.239.966
Email: info@gtht.com.vn Website: www.gtht.com.vn	Fax: (024) 35.730.088	Fax: (028) 38.239.696