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Vietnamese economy – Recovery growth prospects but still slow.

- Overall, Vietnam's economic indicators continue to show positive developments, gradually recovering in recent months even amidst global political and economic uncertainties. Particularly notable are the bright spots coming from FDI into Vietnam and a significant increase in development investment expenditure.
- However, we realized that the recovery trend is rather slow, and the prospects for imports and exports remain uncertain.

CPI November inflation continues the trend of decline compared to the same period last year after reversing increase in September. The main contribution to November's inflation comes from the cost of medicine and healthcare services. We maintain our forecast for average annual inflation around 3.3% compared to the same period.

IIP The IIP indicates that the domestic manufacturing recovery process is gradually accelerating towards the end of the year. Industrial production growth in November reached its highest level in 14 months (excluding February), reaching 5.8% compared to the same period last year, supported by a low base and export demand still showing many positive signs. However, the PMI presented a completely contrasting picture as the situation continued to deteriorate in November. The PMI stood at 47.3 points, maintaining a 3-month consecutive decline.

The retail sales for the 11 months of 2023 increased by 9.6% compared to the same period last year. The number of international tourists has risen significantly, although the recovery of Chinese tourists is still slow.

Vietnam's trade in November cooled down compared to the previous month due to the peak export period for the Black Friday shopping season and the year-end import demand from major markets. However, compared to the same period last year, both exports and imports witnessed growth at 6.7% and 5.1%, respectively.

Additionally, total registered FDI into Vietnam continued to increase by 14.8% compared to the same period last year for the 11 months. Particularly, adjusted capital surged in November, nearly reaching \$1.14 billion USD, indicating existing investors' continued interest in expanding their operations in Vietnam.

Public investment also surged in November thanks to the determined policies of government officials to disburse public investment in the final months of the year. However, for the cumulative 11 months, development investment expenditure has only reached 64% of the annual plan, significantly below the government's set target.

	Jan-23	Feb-23	Mar-23	Apr-23	May-23	Jun-23	Jul-23	Aug-23	Sep-23	Oct-23	Nov-23	Dec-23
GDP (YoY)			3.3			4.1			5.3			5
CPI (YoY)	4.9	4.6	3.4	2.8	2.4	2	2.1	3	3.7	3.6	3.5	3.3
Retail sales (YTD YoY)	20	13	13.9	12.8	12.6	10.9	10.4	10	9.7	9.4	9.6	10
Export (YoY)	-23.5	-9	-11	-12.5	-11.6	-11.4	-3.5	-7.6	4.6	5.9	6.5	7.0
Import (YoY)	-22.1	-16.2	-15	-17	-17.9	-16.9	-9.9	-8.3	2.6	5.2	-1.5	5.4
Trade Bal (Bil USD)	0.7	2.8	1.4	2.7	2.1	3.2	3.6	3.4	1.7	3.0	1.3	0.7
Realized FDI (Bil USD)	1.4	1.2	1.8	1.5	1.8	2.4	1.6	1.5	2.8	2.1	2.3	2.5
IIP (YTD YoY)	-8	-6.3	-2.3	-1.8	-2	-1.2	-0.7	-0.5	0.3	0.5	1.0	2.0
PMI manufacturing	47.4	51.2	47.7	46.7	45.3	46.2	48.7	50.5	49.7	49.6	47.3	51

Sources: PHS compilation and estimation