

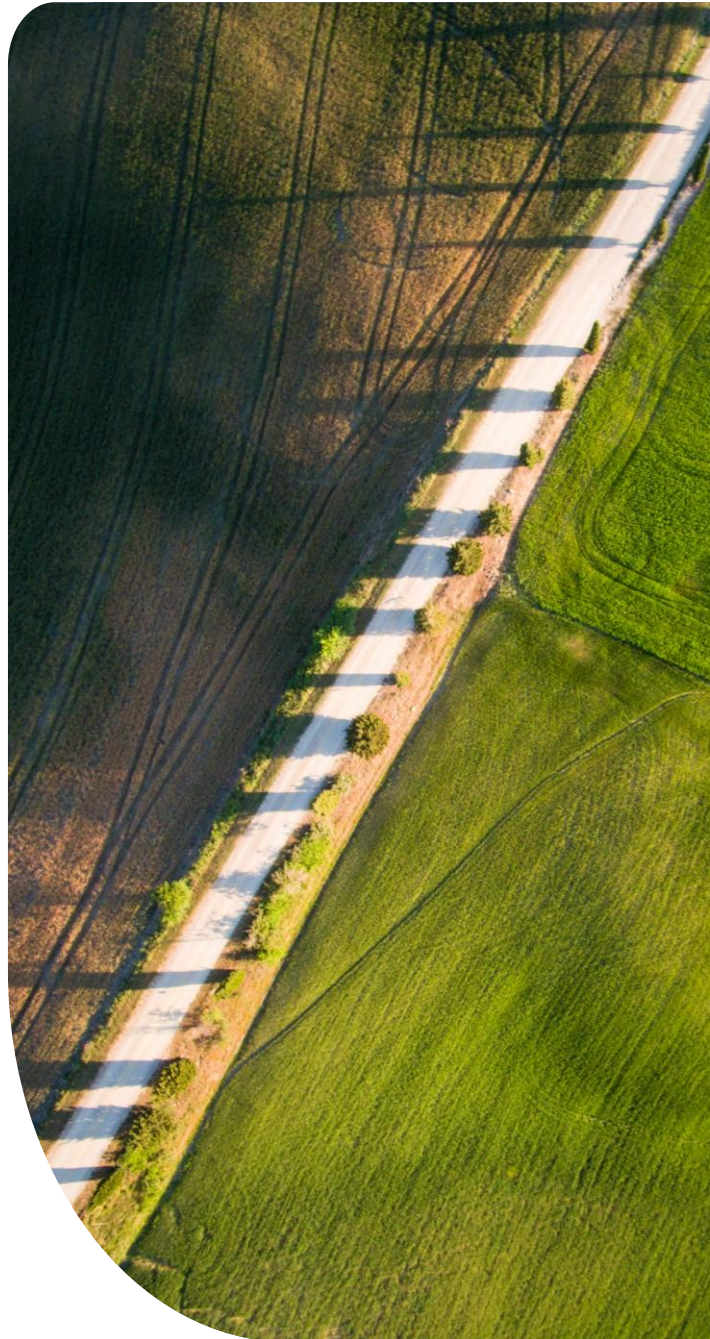
News Insight & Recap

October 2025



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GRANT THORNTON INSIGHTS

October's developments offered a clearer and gradually improving economic picture of Vietnam as the year moved into its final quarter. Growth forecasts for 2025 were revised upward by major international banks, supported by a continued improvement in manufacturing conditions where the PMI rose to 54.5. FDI attraction and disbursement remained strong and industrial facilities maintained high occupancy, while trade flows continued to widen the surplus. Vietnam also advanced a series of external engagements, from progress in negotiations with the United States to the upgrade of relations with the United Kingdom and deeper cooperation with Nasdaq on capital market development. The month additionally recorded significant climate-related losses, adding another layer to the challenges facing domestic production and infrastructure.

What is notable in October is not the emergence of a new policy direction but the clearer outline and increased pace of one that has been building for several months. The concentrated diplomatic activity, the push to formalise trade frameworks, and the attention to financial market capacity all indicate that Vietnam is moving from exploratory steps to more concrete execution. As the year approaches its close, this acceleration suggests a recognition that the next phase of growth will require a stronger institutional foundation, more diversified economic relationships, and a more resilient structure for investment and industry. October therefore provides a clearer view of how these efforts are beginning to take shape, marking a shift from early signals to more tangible progress in preparing the ground for 2025.



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1. STANDARD CHARTERED AND HSBC RAISE VIETNAM'S 2025 GROWTH FORECASTS

Standard Chartered and HSBC have significantly upgraded Vietnam's GDP growth forecasts for 2025, citing robust macroeconomic fundamentals and resilient domestic demand. Standard Chartered now expects growth to reach 7.5%, up from the previous forecast of 6.1%, while HSBC has revised its projection to 7.9%, up from the previous 6.6%. Both banks highlighted strong foreign direct investment (FDI), stable export performance, particularly in electronics, and buoyant retail sales as key drivers. Domestic credit growth is accelerating, supported by favourable liquidity conditions and government measures, while stable monetary policy is expected to sustain investment momentum. However, analysts also warn that global risks, including U.S. trade policies and China's economic slowdown, could pose challenges.

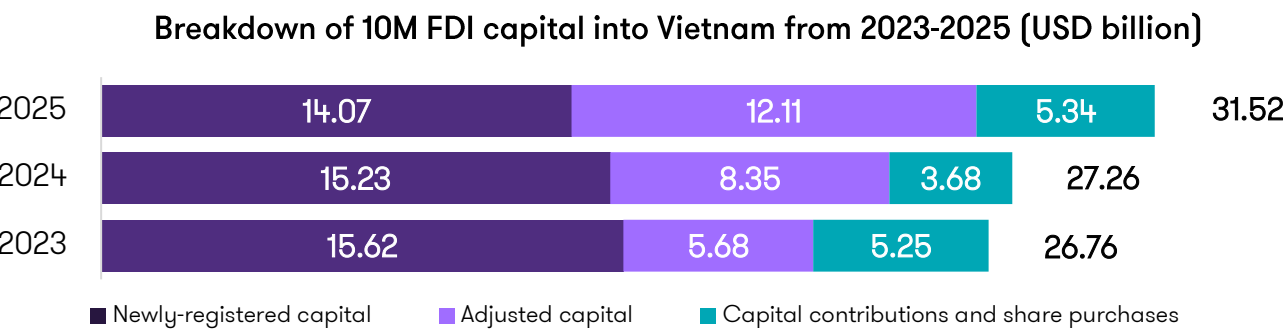
[Source: TheInvestor]



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2. FDI DISBURSEMENT REACHES FIVE-YEAR HIGH IN 10 MONTHS

Vietnam recorded USD31.52 billion in total registered foreign direct investment (FDI) during the first ten months of 2025, up 15.6% year-on-year. Of this, USD14.07 billion came from 3,321 newly licensed projects (up 21.1% in project count but down 7.6% in value), USD12.11 billion was added to 1,206 existing projects (up 45%), and USD5.34 billion from capital contributions and share purchases (up 45.1%). Disbursed capital reached USD21.3 billion, an 8.8% increase and the highest 10-month level in five years, signaling strong investor confidence.

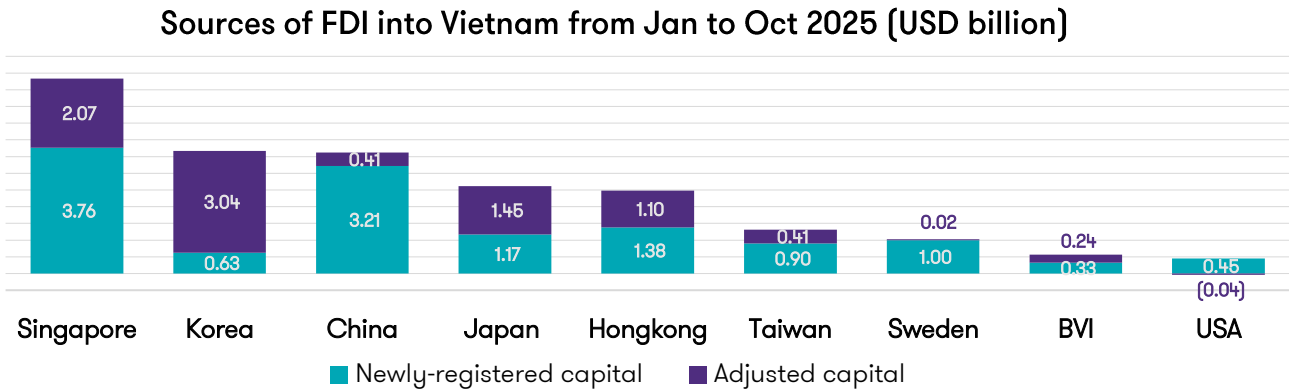


(Source: VietnamPlus)



2. FDI DISBURSEMENT REACHES FIVE-YEAR HIGH IN 10 MONTHS (CONT.)

Manufacturing continued to dominate FDI inflows. For newly registered capital, the industry attracted USD7.97 billion (56.7%), while real estate ranked second with USD2.75 billion (19.5%). Singapore remained the largest investor, contributing USD3.76 billion, ahead of China, Hong Kong, and Japan. In terms of project locations, Bac Ninh led in new FDI inflows with over USD1.7 billion, followed by Ho Chi Minh City and Hai Phong, reflecting continued investor interest in major industrial and urban hubs.



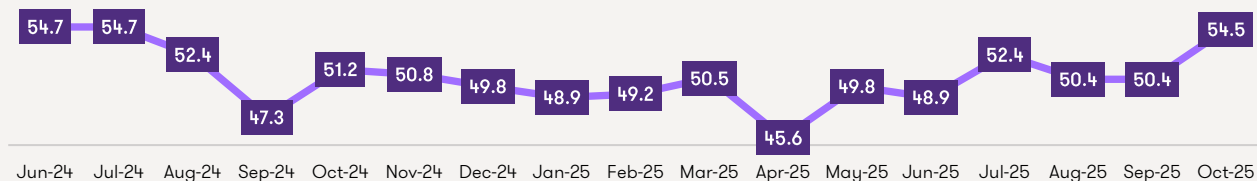
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(Source: VietnamPlus)

3. PMI RISES TO 54.5, REFLECTING STRONG INDUSTRIAL RECOVERY

As reported by S&P Global, Vietnam's Purchasing Managers' Index (PMI) surged to 54.5 in October, up from 50.4 in September, marking the strongest improvement in business conditions since early 2022. The rise was driven by robust recovery in output and new orders. Business sentiment also improved, with more than one-third of manufacturers expecting higher production over the next 12 months. Notably, input cost inflation eased, allowing companies to reduce selling prices and remain competitive. This momentum highlights a broad-based improvement in industrial performance.

Vietnam's Purchasing Managers' Index (PMI)



(Source: S&P Global)



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4. TRADE SURPLUS WIDENS TO NEARLY USD20 BILLION AS EXPORTS REBOUND

Vietnam's total trade turnover reached USD762.4 billion in the first ten months of 2025, up 17.3% year-on-year. Exports rose 16.2% to USD391 billion, while imports increased 18.6% to USD371.4 billion, resulting in a nearly USD20 billion surplus. Foreign-invested enterprises contributed nearly 76% of exports and 68% of imports. Vietnam maintained trade surpluses with the U.S., EU, and Japan, but continued to run deficits with China, South Korea, and ASEAN, highlighting its export strength and reliance on imported production inputs.



[Source: Vietnam Investment Review]

5. VIETNAM-US ANNOUNCE FRAMEWORK FOR FAIR, BALANCED TRADE AGREEMENT

In late October, Vietnam and the U.S. issued a joint statement outlining a framework for a reciprocal, fair, and balanced trade agreement, building on their longstanding economic relationship. Under the framework, the U.S. will maintain a 20% reciprocal tariff on Vietnamese goods, with certain products eligible for a zero-tariff rate and will work to reduce non-tariff barriers affecting Vietnamese exports. In return, Vietnam will provide preferential market access for substantially all U.S. industrial and agricultural goods, with Vietnamese companies committing to purchase aircraft and U.S. agricultural commodities valued at over USD10 billion. State officials from both countries subsequently held the eighth ministerial-level negotiation in Washington D.C. to resolve remaining issues. The two countries will proceed to finalise the agreement and complete domestic formalities before it enters into force.

[Source: Vietnamnews]



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6. VIETNAM–UK ELEVATE RELATIONS TO COMPREHENSIVE STRATEGIC PARTNERSHIP

Recently, in late October, Vietnam and the United Kingdom officially upgraded their bilateral relationship to a Comprehensive Strategic Partnership, marking a significant milestone in diplomatic and economic cooperation. The announcement was made during Vietnamese Party General Secretary To Lam's visit to the UK, where both sides committed to deepening ties across trade, investment, education, defense, and green finance. The partnership aims to enhance mutual understanding, promote sustainable development, and support Vietnam's efforts in energy transition and climate resilience. It also reflects the UK's recognition of Vietnam's growing role in regional and global affairs, especially in advancing clean energy and inclusive growth.

[Source: Vietnam Economic Times]



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7. HO CHI MINH CITY PARTNERS WITH NASDAQ TO DEVELOP IFC

In October, Ho Chi Minh City's Department of Finance signed an MoU with Nasdaq to advance the development of the Vietnam International Financial Centre (IFC). The partnership will focus on governance, capacity building, cross-listing, and product development, with Nasdaq providing technical support and training in securities, bonds, derivatives, digital assets, and carbon credits. A joint working group will be established to meet regularly and coordinate implementation. The collaboration aims to strengthen Vietnam's financial market infrastructure and attract high-quality international investment. Nasdaq will also help connect Vietnam's financial community with global capital markets, enhancing the city's position as a regional financial hub.

[Source: Vietnam Investment Review]



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8. VIETNAM'S READY-BUILT FACTORIES ATTRACT STRONG FDI DEMAND

According to Cushman & Wakefield, Vietnam's ready-built factory market remains highly attractive to investors, with a national occupancy rate of around 88% as of Q3 2025. The Southern Key Economic Zone led with 92%, while the Northern region maintained 84–88%, driven by strong foreign investment as over half of new manufacturing projects leased ready-built facilities. Average rental rates stand at USD5.5 per square meter per month, notably lower than regional competitors, reinforcing Vietnam's cost advantage and strategic position in global supply chains. Supported by FTAs such as CPTPP, EVFTA, and RCEP, Vietnam continues to attract investors seeking tariff-free access to major markets. The market is shifting toward high-quality, ESG-compliant factories in well-connected provinces, with rents forecast to rise 3–9% in the North and 3–7% in the South, highlighting Vietnam's growing role as a manufacturing hub.

[Source: Vietnamnews]



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9. VIETNAM REPORTS ECONOMIC LOSSES FROM SEVERE NATURAL DISASTERS

According to the Ministry of Agriculture and Environment, Vietnam has faced extensive disaster-related economic damage since early 2025, with losses estimated at VND69 trillion (USD2.62 billion) and 305 people dead or missing. Three strong typhoons, record-breaking rainfall, historic floods on 10 major rivers in the North and Central regions, and widespread urban inundation - including in Hanoi - have severely disrupted local economies, infrastructure, logistics, and agricultural production. In response, the Government has tasked the ministry with preparing a national conference on disaster response and recovery, focusing on forecasting, preparedness, coordination mechanisms, and post-disaster reconstruction. Despite these shocks, the agricultural sector has shown resilience as exports hit USD58.13 billion in Q3 of 2025, up 12.9% year-on-year, showing Vietnam's economic stability amid rising climate risks.

[Source: VietnamPlus]



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