

# News Release

Embargoed until 0730 ICT (0030 UTC) 1 August 2025

## S&P Global Vietnam Manufacturing PMI<sup>®</sup>

### New orders rise for first time in four months

#### Key findings

Output growth quickens as new orders expand

New export business continues to fall amid US tariffs

Cost inflation quickens to seven-month high

The Vietnamese manufacturing sector returned to growth in July as a renewed expansion in new orders supported a faster rise in production. This was despite further export weakness as a result of tariffs. Purchasing activity also increased, while employment neared stabilisation.

There were a number of reports of difficulties sourcing raw materials, resulting in supplier delivery delays, lower input stocks and higher costs for purchases.

The S&P Global Vietnam Manufacturing Purchasing Managers' Index<sup>™</sup> (PMI<sup>®</sup>) posted 52.4 in July, up from 48.9 in June and back above the 50.0 no-change mark for the first time in four months. As such, the index pointed to a strengthening in the overall health of the manufacturing sector. In fact, the solid improvement in business conditions was the most marked for almost a year.

The improvement in operating conditions coincided with a return to growth of new orders in July. New business expanded for the first time in four months, and at the fastest pace since November last year amid reports of customer demand strengthening.

That said, some respondents highlighted the negative impact of US tariffs on new order growth. In fact, new business from abroad continued to fall as a result of tariffs, extending the current sequence of contraction to nine months.

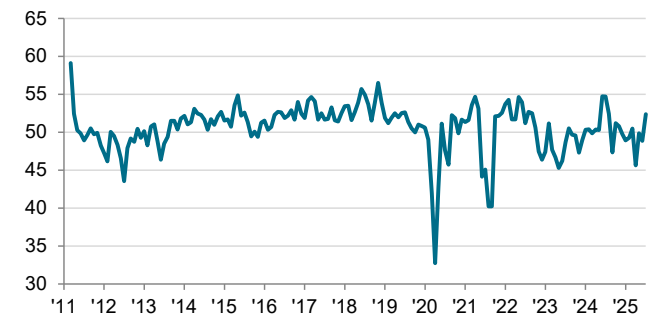
The renewed increase in new orders helped to support production growth in July. Output rose for the third month running. Moreover, the pace of expansion was marked and the fastest in 11 months.

Higher output requirements led to a return to growth of purchasing activity. Here too, the pace of expansion was the sharpest since August last year.

Meanwhile, employment neared stabilisation. Although staffing levels continued to fall amid ongoing spare capacity following the recent period of declining new orders, the

S&P Global Vietnam Manufacturing PMI

sa, >50 = improvement since previous month



Source: S&P Global PMI.  
Data were collected 10-23 July 2025.

#### Comment

Andrew Harker, Economics Director at S&P Global Market Intelligence, said:

*"July PMI data suggested that the Vietnamese manufacturing sector is getting back on its feet following the disruption caused to operations by the US tariff announcements in recent months. Although tariffs continued to cause reductions in new export orders, firms were able to secure enough business elsewhere that total new orders returned to growth."*

*"A key feature of the latest survey was the impact of difficulties sourcing raw materials. Firms linked this to widespread supplier delivery delays, declining stocks of purchases and building cost pressures. If material supplies continue to cause issues in the months ahead then we may see limits to the growth rates that can be achieved by the sector."*

PMI<sup>®</sup>

by S&P Global

latest reduction was the slowest in nine months as output requirements increased.

Backlogs of work continued to fall, albeit to the smallest extent in the current seven-month sequence of depletion.

Despite renewed growth of input buying, stocks of purchases declined again as panellists reported challenges securing raw materials. That said, the pace of depletion was the weakest since December 2023. Stocks of finished goods also decreased in July.

Material shortages resulted in a further lengthening of suppliers' delivery times. The latest deterioration in vendor performance was solid and only slightly less pronounced than that seen in June.

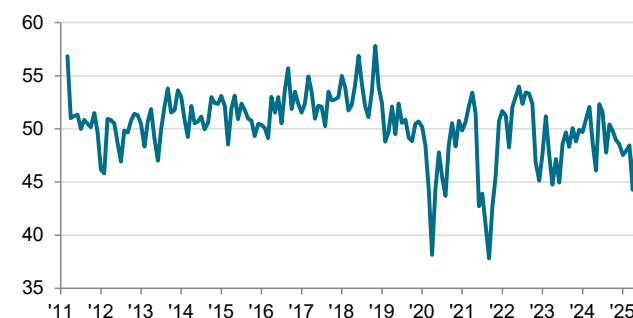
Difficulties sourcing materials, particularly those from abroad, led to an increase in input costs at the start of the second half of the year. Input prices increased for the second successive month, and at a solid pace that was the fastest in 2025 so far.

The pace of output price inflation also quickened in July as firms passed on higher input costs to customers. Here to, the rise was the sharpest in seven months. That said, the increase in charges was only modest.

Although manufacturers remained optimistic that output will increase over the coming year, sentiment dipped to a three-month low in July and was well below the series average. Confidence was linked by panellists to hopes for more stable economic conditions, new product launches and new orders. On the other hand, concerns around the impact of US tariffs weighed on the outlook.

## PMI Employment Index

sa, >50 = growth since previous month



Source: S&P Global PMI.

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## Survey methodology

The S&P Global Vietnam Manufacturing PMI® is compiled by S&P Global from responses to questionnaires sent to purchasing managers in a panel of around 400 manufacturers. The panel is stratified by detailed sector and company workforce size, based on contributions to GDP. Data collection began in March 2011.

Survey responses are collected in the second half of each month and indicate the direction of change compared to the previous month. A diffusion index is calculated for each survey variable. The index is the sum of the percentage of 'higher' responses and half the percentage of 'unchanged' responses. The indices vary between 0 and 100, with a reading above 50 indicating an overall increase compared to the previous month, and below 50 an overall decrease. The indices are then seasonally adjusted.

The headline figure is the Purchasing Managers' Index™ (PMI). The PMI is a weighted average of the following five indices: New Orders (30%), Output (25%), Employment (20%), Suppliers' Delivery Times (15%) and Stocks of Purchases (10%). For the PMI calculation the Suppliers' Delivery Times Index is inverted so that it moves in a comparable direction to the other indices.

Underlying survey data are not revised after publication, but seasonal adjustment factors may be revised from time to time as appropriate which will affect the seasonally adjusted data series.

For further information on the PMI survey methodology, please contact [economics@spglobal.com](mailto:economics@spglobal.com).

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