News Release

Embargoed until 0730 ICT (0030 UTC) 1 July 2025

S&P Global Vietnam Manufacturing PMI®

Sharpest fall in new export orders for over two years

Key findings

New orders down amid rapid fall in new business from abroad

Employment and purchasing scaled back

Slight increases in input costs and output prices

Vietnamese manufacturers continued to face worsening demand conditions in June. This was particularly the case with regards to exports as panellists reported that US tariffs had caused a sharp drop in new business from abroad. With new orders down, firms scaled back employment, purchasing and inventories. That said, manufacturing production continued to increase slightly, while business confidence strengthened.

On the price front, input costs rose slightly following a fall in May, feeding through to a first increase in selling prices in 2025 so far.

The S&P Global Vietnam Manufacturing Purchasing Managers' Index™ (PMI®) dropped to 48.9 in June from 49.8 in May, posting below the 50.0 no-change mark for the third month running and signalling a modest deterioration in business conditions as the first half of the year drew to a close.

Central to the latest worsening in the overall health of the sector was a third successive fall in new orders. New business decreased modestly in June, but at a faster pace than in May.

Demand conditions worsened particularly sharply in export markets, with new business from abroad declining to a much larger degree than total new orders. In fact, the fall in new export business was the joint-fastest since September 2021, equal with that seen in May 2023. A number of respondents indicated that US tariffs had been behind the fall in new export orders.

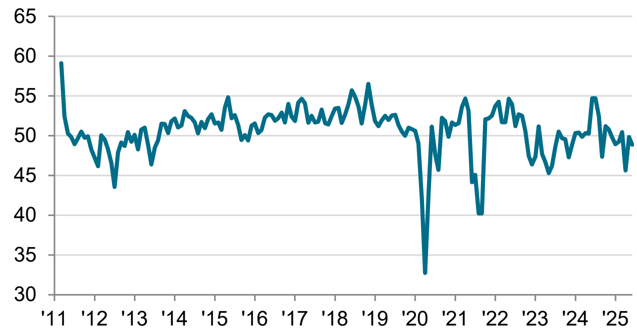
The fall in total new orders fed through to reductions in employment, purchasing and inventory holdings in June.

Staffing levels decreased for the ninth month running and at a marked pace that was much faster than that seen in May. Firms were still able to deplete backlogs of work, and at a solid rate.

The slight fall in purchasing activity in June followed a

S&P Global Vietnam Manufacturing PMI

sa, >50 = improvement since previous month



Source: S&P Global PMI.
Data were collected 12-20 June 2025.

Comment

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

"June saw a worsening of international demand conditions for Vietnamese manufacturers as the impact of tariffs intensified. The steep drop in exports contributed to a further reduction in total new orders and led firms to scale back employment and purchasing.

"One positive from the latest PMI survey was that firms continued to expand their output, but this is unlikely to continue for long without an improvement in the demand situation.

"The first half of 2025 has been characterised by volatility and uncertainty, particularly around trade conditions. Business confidence has recovered somewhat in recent months, but positive sentiment is largely based on hopes for a more stable picture going forward. Whether that will indeed be the case remains to be seen."

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similarly-sized increase in May, and was the third reduction in the past four months.

Stocks of both purchases and finished goods were scaled back to larger extents at the end of the second quarter, with rates of decline the most marked in nine and five months respectively.

Despite ongoing demand weakness, manufacturers continued to increase their production volumes in June. Output rose for the second month running, albeit only slightly and at a slower pace than in May.

Input costs increased in June, following a first decline in almost two years during May. That said, the rate of inflation was only slight and weaker than the series average. Where input costs rose, panellists linked this to material shortages and a depreciation of the dong versus the US dollar.

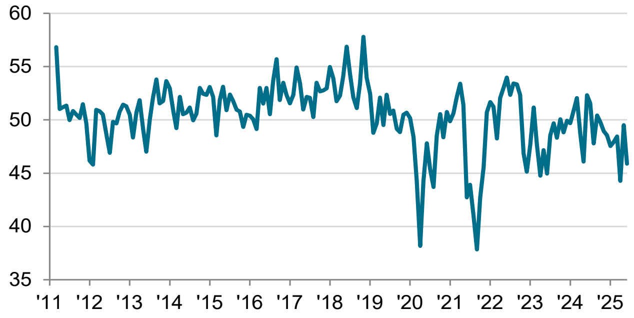
Material shortages also contributed to a lengthening of suppliers' delivery times, with poor weather conditions and transportation delays also among the factors resulting in longer lead times. Vendor performance deteriorated solidly, and to the largest degree since February.

The renewed increase in input costs led manufacturers to raise their output prices, thereby ending a five-month sequence of decline. The pace of inflation was only marginal, however.

Finally, business confidence continued to recover from the 44-month low seen in April. Hopes for more stable market conditions and a reduction in trade tensions were among the factors supporting the optimistic outlook, which was nonetheless weaker than the series average.

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.

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About PMI

Purchasing Managers' Index™ (PMI®) surveys are now available for over 40 countries and also for key regions including the eurozone. They are the most closely watched business surveys in the world, favoured by central banks, financial markets and business decision makers for their ability to provide up-to-date, accurate and often unique monthly indicators of economic trends. www.spglobal.com/marketintelligence/en/mi/products/pmi

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