News Release
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S&P Global Vietnam Manufacturing PMI®

Strongest rise in selling prices for almost 15 years as war in Middle East leads to steep cost inflation

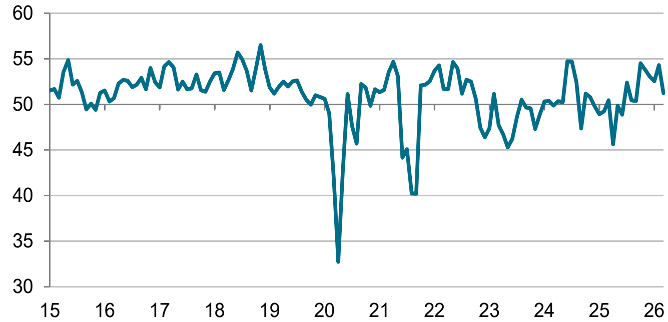
March 2026

Sharp rise in input costs leads to fastest increase in charges since April 2011

Rates of growth in output and new orders ease markedly

Lead times lengthen to greatest extent in four years

S&P Global Vietnam Manufacturing PMI
Index, sa, >50 = improvement m/m



Data were collected 12-23 March 2026.
Source: S&P Global PMI. ©2026 S&P Global.

The war in the Middle East caused a marked acceleration in the rate of input cost inflation in the Vietnamese manufacturing sector during March, with selling prices subsequently raised at the fastest pace in almost 15 years.

Intensifying price pressures acted to limit demand, and rates of growth in both new orders and output slowed as a result. In turn, employment and purchasing activity were scaled back. Meanwhile, suppliers' delivery times lengthened substantially.

The impacts of the war also resulted in weaker business confidence, with optimism easing to a six-month low.

The S&P Global Vietnam Manufacturing Purchasing Managers' Index™ (PMI®) remained above the 50.0 no-change mark in March, extending the current sequence of improving business conditions to nine months. That said, the PMI dropped to 51.2 from February's 54.3 and pointed to the least marked strengthening of operating conditions since last September.

A key feature of the March PMI survey was the impact of the war in the Middle East on inflation. An increase in the price of oil resulted in higher costs for freight, fuel and transportation.

As a result, close to half of respondents recorded an increase in their input costs during March, with the pace of inflation the sharpest since April 2022.

With higher input costs often passed on to customers, output prices increased at one of the sharpest rates since the survey began in 2011. The pace of inflation seen in March was the steepest in just under 15 years.

Sharply rising prices in the sector acted to limit demand. Total new orders continued to rise as some firms reported that clients had purchased in advance to try to get ahead of price increases. The rate of expansion was only modest, however, and the weakest since last September.

Meanwhile, international demand suffered, with new export orders decreasing markedly following stable new business from abroad in February.

In line with the picture for total new business, manufacturing production increased at a much-reduced pace during March. The latest rise in output was the eleventh in as many months,

Comment

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

"The March edition of the S&P Global Vietnam Manufacturing PMI highlights the initial impacts of the war in the Middle East on firms in the sector.

"Given the country's reliance on oil imported from the affected region, the impact on prices and supply chains would have been expected to some extent. The rate at which input cost inflation accelerated though, and the subsequent increase in selling prices - which was the fastest in almost 15 years - shows the immediate and marked effects that firms are experiencing.

"Output and new orders remained in expansion territory in March, but rates of increase were well down on February and at least some of the growth seen was due to customers placing advanced orders to try to get ahead of price rises.

"The near-term outlook therefore appears bleak, unless a speedy resolution to the war and the disruption through the Strait of Hormuz can be achieved."

but least pronounced since June 2025.

Slower growth of new orders and higher input costs led to a reluctance among manufacturers to commit to additional purchases in March. Input buying decreased markedly, ending an eight-month sequence of expansion. Stocks of purchases were also down.

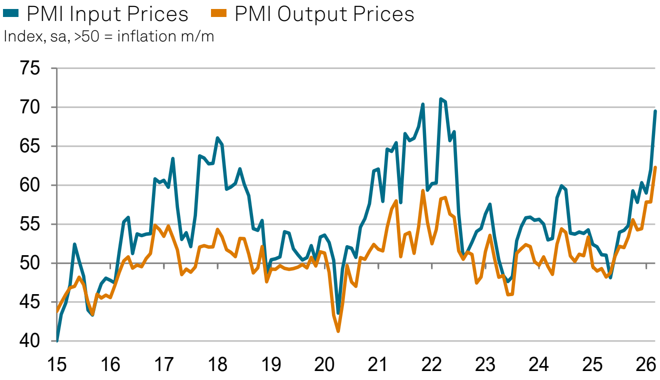
Where firms did buy inputs, they faced a substantial lengthening of suppliers' delivery times, one that was the most pronounced in four years. Respondents indicated that higher fuel costs resulted in transportation delays.

As well as scaling back purchasing activity, manufacturers also signalled a reduction in employment. Staffing levels decreased for the first time in six months. Firms reported difficulties replacing departing staff members, and a drop in the number of temporary workers.

With employment down and firms facing difficulties securing materials, backlogs of work increased in March. The slight accumulation was the first in four months. In some cases, manufacturers used stocks of finished goods to help satisfy order requirements, resulting in a marked fall in post-production inventories.

Business confidence dropped to a six-month low in March amid concerns around the impact of the war in the Middle East on international demand, prices and the supply of materials.

That said, hopes that underlying demand would remain solid and support growth of new orders and output meant that firms on balance continued to predict an increase in production over the coming year.



Source: S&P Global PMI. ©2026 S&P Global.

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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.

S&P Global

PMI by S&P Global

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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