

News Release

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S&P Global Vietnam Manufacturing PMI[®]

Output continues to rise despite renewed fall in new orders

Key findings

Output expands for fourth successive month

New orders and employment decrease

Sharpest rise in input costs in 2025 so far

Manufacturing production continued to increase in the Vietnamese manufacturing sector during August, but at a slower pace amid a subdued demand environment. In fact, new orders decreased following a return to growth in July, contributing to a further fall in employment amid evidence of spare capacity.

Some firms mentioned raw material scarcity, which was partly behind a lengthening of suppliers' delivery times and the sharpest rise in input costs in the year-to-date.

The S&P Global Vietnam Manufacturing Purchasing Managers' Index™ (PMI[®]) remained above the 50.0 no-change mark in August and signalled a second consecutive monthly improvement in the health of the manufacturing sector. That said, at 50.4, the PMI was down from 52.4 in July and registered only a marginal strengthening in business conditions.

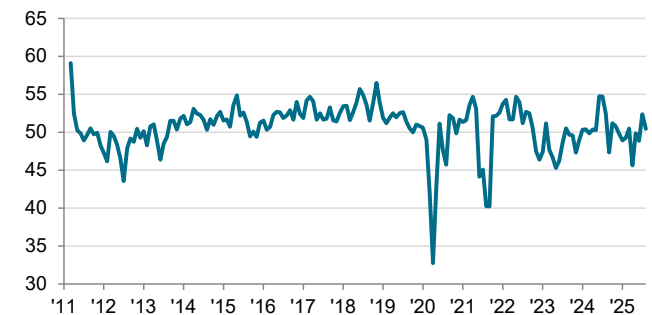
The main positive from the latest survey was a sustained expansion of manufacturing production, with growth recorded for the fourth month running. The increase in August was solid, albeit slower than that seen in July. Those firms that raised output did so in response to positive new order inflows at their units, while the slowdown in the upturn reflected reports of a subdued demand environment.

New orders decreased in August, after having risen for the first time in four months during July. Demand conditions were reportedly muted, in part due to US tariffs. Issues around tariffs meant that new export orders continued to fall, the tenth month running in which this has been the case. The solid reduction seen in August was sharper than that seen for total new business.

With new orders down, manufacturers again scaled back their workforce numbers midway through the third quarter of the year. Employment decreased for the eleventh successive month, and at a modest pace. The drop in new orders, however, meant that spare capacity remained evident in the

S&P Global Vietnam Manufacturing PMI

sa, >50 = improvement since previous month



Source: S&P Global PMI.

Data were collected 12-20 August 2025.

Comment

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

"While it was positive to see output expand again during August, a renewed fall in new orders calls into question how long firms will be able to keep increasing production. The drop in new sales was led by exports, which decreased solidly again as issues around tariffs continued to impact the sector."

"Firms were at least more confident in the year-ahead outlook, in part based on hopes of a pick-up in demand, which encouraged a rise in purchasing activity. Manufacturers were hampered to some extent by material shortages, however."

"With the path ahead for tariffs seeming more stable now, the predicted improvements in demand will hopefully materialise in the months ahead, helping to maintain production growth in the sector."

PMI[®]

by S&P Global

sector. Backlogs of work fell markedly, and to the largest degree since April.

Stocks of finished goods were also down as firms reported a reluctance to hold inventories at a time of falling new orders, and the dispatch of finished products to customers.

While manufacturers reduced their staffing levels and stocks of finished goods, an increase in purchasing activity was recorded for the second month running, linked by panellists to higher output requirements and efforts to build stocks ahead of an expected improvement in demand.

Stocks of purchases fell, however, amid reports of a reduction of imports. Material scarcity also impacted efforts to secure inputs, with suppliers' delivery times lengthening solidly.

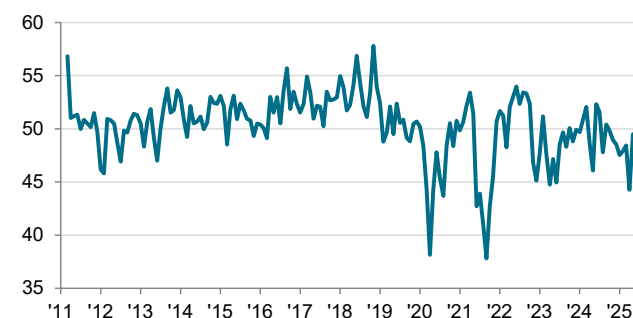
Material shortages, tariffs and increased transportation costs meant that input prices increased again in August. The rate of inflation ticked higher and was the fastest in 2025 so far, albeit remaining weaker than the series average.

Output prices rose for the third month running on the back of higher taxes and the pass through of increased input costs to customers. Charges were up modestly, and at a broadly similar pace to that seen in July.

Finally, business confidence strengthened to a six-month high in August, albeit remaining below the series average. A number of respondents predicted an improvement in new orders over the coming year, supporting optimism around output. On the other hand, concerns around global economic conditions limited confidence.

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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