News Release
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S&P Global Vietnam Manufacturing PMI®

Stockpiling efforts contribute to renewed rise in new orders in May

May 2026

New orders and purchasing activity return to growth

Marked rise in production

Input cost inflation accelerates again

A return to growth of new orders in May helped the Vietnamese manufacturing sector to expand midway through the second quarter of 2026.

At least part of the increase was due to safety stock building at customers due to the war in the Middle East causing steep price rises and supply-chain delays. Similarly, stockpiling efforts also encouraged manufacturers to raise their own purchasing activity.

Despite the improvements in new orders and output, firms continued to scale back their workforce numbers amid evidence of continued spare capacity.

The S&P Global Vietnam Manufacturing Purchasing Managers' Index™ (PMI®) rose to 52.8 in May, up from 50.5 in April and reaching its highest since February, just before the outbreak of war in the Middle East. The solid overall improvement in business conditions was the eleventh in as many months.

After having fallen modestly in April, new orders returned to growth in May, increasing markedly and to the largest degree in three months. To some extent, the rise in new business reflected safety stock building among customers amid worries of the effects of a prolonged conflict in the Middle East.

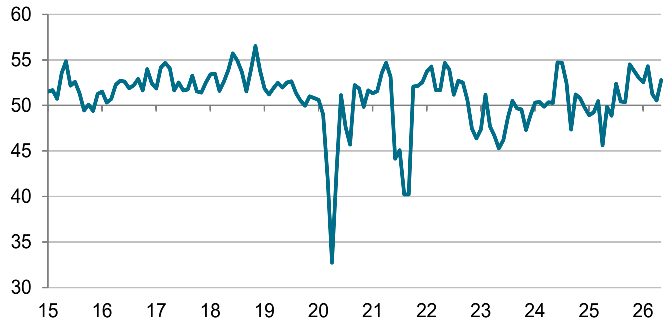
A renewed increase in new export orders was also recorded, ending a two-month sequence of decline. Here though, the pace of expansion was only marginal, as high transportation costs and logistics issues limited international demand.

Renewed growth of new orders was matched by a marked expansion of manufacturing production in May. Output rose for the thirteenth successive month, and at the fastest pace since February.

Stockpiling efforts were also evident among manufacturers as purchasing activity increased for the first time in three months, and at a solid pace.

The rate of input cost inflation continued to accelerate midway through the second quarter, quickening for the fourth consecutive month to the fastest since April 2011. Fuel, oil and transportation were the main drivers of higher input costs, according to respondents.

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



Data were collected 12-20 May 2026.
Source: S&P Global PMI. ©2026 S&P Global.

Comment

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

"On the face of it the latest S&P Global Vietnam Manufacturing PMI provides us with some positive news as new orders rebounded in May, leading to a similarly marked increase in manufacturing production. The headline PMI hit its highest since just before the outbreak of war in the Middle East.

"Digging a little deeper, however, sounds a note of caution, with at least some of the growth in May driven by stockpiling efforts amid the disruption caused by the war. There is some question therefore as to the sustainability of this upturn.

"Meanwhile, firms continue to face elevated price pressures, with input cost inflation accelerating again after hitting a 15-year high in April. How events unfold elsewhere will again be central to determining the sector's performance over the months ahead."

Selling price inflation also remained elevated and was among the sharpest in the past 15 years, despite easing slightly from that seen in April.

Higher costs for fuel and shipping, plus issues with logistics, caused a further lengthening of suppliers' delivery times in May. The latest deterioration in vendor performance was less pronounced than in the previous survey period, however.

A further lengthening of lead times meant that stocks of purchases continued to fall, despite an expansion in purchasing activity. Moreover, the rate of depletion in pre-production inventories was the fastest in just under a year.

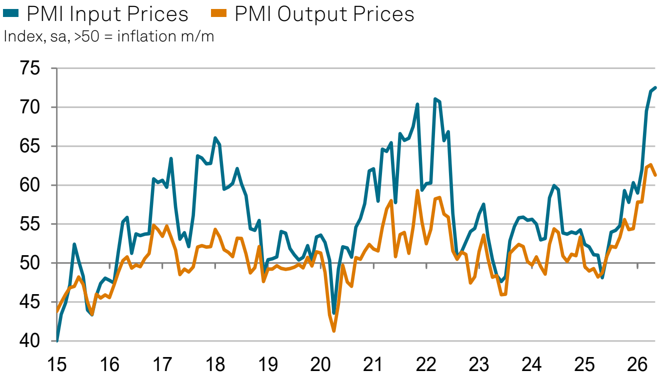
Stocks of finished goods were also down, albeit to a smaller degree than in April.

Despite a renewed rise in new orders in May, recent demand weakness meant that firms still had sufficient capacity to handle incoming business and work through backlogs. As a result, outstanding business decreased for the second month running.

Evidence of spare capacity was a factor behind a further reduction in manufacturing employment, which decreased for the third time in as many months. The rate of job shedding was only marginal, however.

Confidence in the year-ahead outlook for production improved to a three-month high in May amid hopes for an increase in new orders and business expansion plans.

Sentiment remained relatively muted, however, reflecting concerns about the ongoing impact of the war in the Middle East.



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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.

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